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Hearings
House Agriculture Committee
87th Congress

H.R. 946

TO EXTEND TO OYSTER PLANTERS THE BENEFITS OF
THE PROVISIONS OF THE PRESENT LAW WHICH
PROVIDE FOR PRODUCTION DISASTER LOANS FOR
FARMERS AND STOCKMEN

H.R. 9290

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H.R. 10708

TO AMEND THE RURAL ELECTRIFICATION ACT WITH
RESPECT TO COMMUNICATION SERVICE

MARCH 19, 1962

MISCELLANEOUS

MONDAY, MARCH 19, 1962

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CONSERVATION AND CREDIT
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to call, at 2 p.m., in room 1310, New House Office Building, the Honorable W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Gathings, Johnson, Stubblefield, McIntire, Short, and Dole.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; and John J. Heimburger, counsel.

Mr. POAGE. The subcommittee will please come to order.

We have our colleague, Mr. Downing, of Virginia, with us.

We have before us at the present H.R. 946 by Mr. Downing, which is a bill for the oyster planters.

(H.R. 946, and the report of the Department dated September 22, 1961, is as follows:)

[H.R. 946, 87th Cong., 1st sess.]

A BILL To extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2(a) of the Act entitled "An Act to abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia, and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes", approved April 6, 1949, as amended (12 U.S.C. 1148a-2(a)), is amended to read as follows: "The Secretary is authorized to make loans (1) to farmers and stockmen for any agricultural purpose and (2) to oyster planters for any purpose relating to the planting, cultivation, and growing of oysters, in any area or region where he finds that a production disaster has caused a need for credit for such a purpose which is not readily available from commercial banks, cooperative lending agencies, or other responsible sources."

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, September 22, 1961.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives,
Washington, D.C.

DEAR MR. COOLEY: This is in response to your request for a report on H.R. 946, a bill to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen.

Pursuant to section 2 (a) of Public Law 38, 81st Congress, as amended, the Secretary of Agriculture is authorized to make loans to farmers and stockmen for any agricultural purpose in any area or region where he finds that a produc-

tion disaster has caused a need for credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources. This authority has been interpreted to authorize loans for the production of crops, livestock, and livestock products rather than the production of oysters or other marine life or products. For this reason, loans have not been made in the past for purposes related to the planting, cultivation, and growing of oysters. H.R. 946 would authorize loans for these purposes.

This Department believes the Department of the Interior would be in a better position to make a recommendation as to whether Government loans should be made to oyster planters. The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

**STATEMENT OF HON. THOMAS N. DOWNING, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF VIRGINIA; ACCOMPANIED BY
DAVID H. WALLACE, EXECUTIVE DIRECTOR, OYSTER INSTITUTE
OF NORTH AMERICA**

Mr. DOWNING. Thank you, Mr. Chairman and gentlemen.

I have with me Mr. Dave Wallace, executive director of the Oyster Institute, whom I would like to have sit beside me.

Mr. POAGE. We will be glad to have you do so.

Mr. DOWNING. I appreciate your taking the time to hear this bill, because I know exactly how rushed you are.

H.R. 946 which I introduced in January of 1961 amends 12 U.S.C. 1148a-2(a) of an act entitled, "An Act to abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia," so as to include an oysterman as a farmer for purposes of obtaining FHA loans in times of disaster.

If you will recall, Hurricane Donna is a good example of a disaster which occurred in 1960. Hurricane Donna swept up the coast—swept over the oyster beds—swept over the crops mainly on the eastern seaboard of the Atlantic.

The farmers could get loans if they qualified from the FHA for their crop damage.

The oysterman could not get any loans.

The oysterman is similar to a farmer in that an oysterman plants his crop as a farmer does. He harvests as a farmer does, except it is under much less controlled conditions than the farmer has.

That same storm, Hurricane Donna, affected both of these people, yet the oysterman could get no help at all.

Previously, the Small Business Administration did make loans to oystermen who were in distress, but the Small Business Administration has taken a position that they are leaning a little bit far to include that as a permanent measure. The Small Business Administration has, however, cooperated to the fullest in every disaster, and they have opened the facilities of that program and their offices to the oystermen.

Just last week we had a devastating storm that suddenly hit the coast without warning, which you gentlemen have all read about.

Our fisheries officials in Virginia, as is the case with the rest of the Atlantic seaboard, indicate that many of the oysterbeds have been destroyed. They will have to be replaced.

The Small Business Administration again came to the rescue, even though it was leaning backward to include the oystermen, and are now making emergency loans to these people. But we contend that the oysterman is entitled to the same disaster protection that the farmer has under the provisions of FHA, and for that reason I introduced this bill.

I would deeply appreciate any consideration that you can give to it, and if the Chair and other gentlemen have any questions I will be glad to attempt to answer them.

Mr. POAGE. You got the Small Business Administration to make loans?

Mr. DOWNING. That is correct.

Mr. POAGE. You think that you would be better off if you could have the authorization for the Department of Agriculture to make the loans—you think that would be better?

Mr. DOWNING. We have no assurance that the Small Business Administration will continue this policy.

Mr. POAGE. I know that you haven't, but you have the certainty that, if this bill passes, then they will quit?

Mr. DOWNING. That is true. We figure we would be better off under the provisions of the FHA program, which is permanent and always there, than we would under the provisions of the Small Business Administration program.

Mr. POAGE. That is right. You are willing to take that gamble?

Mr. DOWNING. Yes, sir.

Mr. POAGE. Are there any other questions?

Mr. JOHNSON of Wisconsin. Your contention is that they are farmers and not businessmen?

Mr. DOWNING. Well, farming is a business.

Mr. JOHNSON of Wisconsin. I know that.

Mr. DOWNING. An oysterman is a farmer.

Mr. JOHNSON of Wisconsin. The Small Business Administration does not care to make loans to people who are classified as farmers.

Mr. DOWNING. That is true; that is true. The gentleman is correct.

Mr. JOHNSON of Wisconsin. Thank you.

Mr. SHORT. How large are these FHA emergency loans? In the majority, are they not loans that may run from \$500, \$600 to \$2,000 or \$3,000 for relatively small farms?

Mr. DOWNING. I am advised that they would range from about \$2,000 to around \$10,000.

Mr. SHORT. To \$10,000?

Mr. DOWNING. Yes, sir.

Mr. SHORT. Also, the Farmers Home Administration, in these emergency loans, has some means of taking some security—maybe in the nature of a second mortgage. Would there be any security that the oysterman could offer?

Mr. DOWNING. Sir, he would have, as in other cases, his personal assets which would be collateral. He would have his plant, which these oystermen usually have, and his boats and any equipment that may be needed, but other than that I do not know of any collateral.

Mr. SHORT. The fact that the Small Business Administration has made some of these loans would seem to indicate that there was some means of supplying some security inasmuch as they require security of some kind, I believe.

Mr. DOWNING. Yes, sir; the gentleman is correct. They are not going to make a loan if they do not have a pretty good assurance that it will be repaid. In that connection I may add that oystermen are unique people—they are a hardy lot and they believe in paying their debts. The records will show that the oystermen repay their loans. They are subject to all types of disaster. They are wiped out occasionally, but they will repay their debts.

Mr. SNORT. The farmer has a pretty good record of repayments, too.

Mr. DOWNING. I did not mean to omit them. They do have a good record.

Mr. JOHNSON of Wisconsin. Do they have a lease, or do they own the land, or what?

Mr. DOWNING. The State has rocks which are leased under the provisions of State law to the independent planters. There are instances where the planter himself owns the rock or has made the rock himself.

Mr. JOHNSON of Wisconsin. Is there any way that they can mortgage that?

Mr. DOWNING. No, sir. That is not permitted by law.

Mr. STUBBLEFIELD. Is this not on the ocean?

Mr. DOWNING. The damage occurred last year on the oceanside, the southeast Atlantic seaboard. This terrific wave and combination of wind just swept without notice—these people had no notice, as you saw in the newspapers. The little town of Chincoteague, the island, was inundated and swept over. And it swept all up and down the coast from Virginia Beach and Ocean City, destroying a great many of the oysterbeds in that area.

Mr. STUBBLEFIELD. I used to eat oysters that came out of Lynnhaven Bay.

Mr. DOWNING. That is in my district, and it is a fine oyster.

Mr. STUBBLEFIELD. Is that where your beds are, in Lynnhaven Bay?

Mr. DOWNING. Yes. Some of those Lynnhaven oysterbeds have been covered up and are no longer usable. There are still some coming out of Lynnhaven.

The oyster industry is possessed with many other difficulties that I will not bother you gentlemen with. One is a new virus MSX which has appeared up and down the coast, and in addition hard winters. And they are now subject to the provisions of the minimum wage law. You have to pay shuckers \$1 an hour. It has many obstacles. I do hope that we can do something so that all of us can continue to enjoy oysters for a little while to come.

Mr. McINTIRE. Mr. Downing, if my recollection is correct and not in error—perhaps you have already examined this matter—in the early days of the Farm Credit Administration, oyster production came within the jurisdiction of this lending authority. I think it would be appropriate, Mr. Chairman, if in the consideration of this bill we examined the authority that is there, because that is agriculture, and we may find an interesting story.

Of course, we might be able to appropriately consider this bill in the context of that.

Mr. DOWNING. The gentleman is correct. Under date of April 12, 1961, the General Counsel of the Farm Credit Administration, Mr. Paul O. Ritter, wrote to Mr. Hyde H. Murray, assistant clerk of the

Committee on Agriculture, setting forth the provisions which they have for farmers, which was done in 1934 by an act of Congress. There is available under certain circumstances under that act money, but that act requires up to 7 percent interest and requires rather high collateral.

I believe that the gentlemen from the Small Business Administration would agree that it would not be applicable in times of distress.

Mr. McINTIRE. Your point is well taken there.

Mr. DOWNING. The precedent is there.

Mr. McINTIRE. My point was that the precedent is there. And it is agricultural. Whether or not those services are adaptable to this is another issue. But, certainly, there is an area there to establish some interest in the point in relation to whether they could be classified as farmers.

Mr. DOWNING. You are right, Mr. McIntire. That letter sets that forth.

Mr. McINTIRE. Is that part of the record?

Mr. POAGE. It has not been made part of the record.

Mr. McINTIRE. Could it be made, sir, a part of the record?

Mr. DOWNING. I will be delighted to make this a part of the record. (The letter dated April 12, 1961, follows:)

FARM CREDIT ADMINISTRATION,
Washington, D.C., April 12, 1961.

Mr. HYDE MURRAY,
Assistant Clerk, Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR MR. MURRAY: This is in reply to your letter of March 23, 1961, as to the legal status of oyster farmers in regard to their eligibility for loans from any of the banks or associations which are under the supervision of the Farm Credit Administration.

By an act of Congress approved June 18, 1934 (48 Stat. 983), the production credit associations were specifically authorized to make loans to oyster planters and any such loans made by the associations are eligible for discount at the Federal intermediate credit banks or as security for loans or advances from such credit banks (12 U.S.C. 1131g-2). As originally enacted, this authority provided for loans only to oyster planters "who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof" but the quoted words were stricken out in 1935 (49 Stat. 318).

Loans under the foregoing authority have mostly been made by production credit associations in the northeastern part of the country, viz., the Production Credit Association of Southern New England, Hartford, Conn.; the Farmers Production Credit Association of South Jersey, Bridgeton, N.J.; the Production Credit Association of Salisbury, Md.; and the Cape Production Credit Association, Exmore, Va. A possible further source of information to you may be Mr. J. Richards Nelson, Elm Street, RFD 4, Madison, Conn., who presently is a member of the farm credit board for the Springfield district and is one of the large oyster planters. You may also wish to get in touch with the U.S. Fish and Wildlife Service, Department of the Interior, which has information available on the production and marketing phases of the oyster industry.

I hope the foregoing may be of some interest to you and am sorry we could not get it to you sooner.

Sincerely yours,

PAUL O. RITTER, *General Counsel.*

Mr. POAGE. Just as a matter of interest, do they grow these oysters in the ocean? I did not know. I understood that they were all in the bay.

Mr. DOWNING. I am sorry that I misled the chairman. They are in the bays, not in the ocean—they are behind protected ledges of land.

Mr. POAGE. That was my understanding.

Mr. DOWNING. The storm swept over these land barriers and in the process covered up the oyster beds.

Mr. POAGE. Are there further questions? If not, we are very much obliged to you, Mr. Downing. We appreciate your presence here. The Department, I believe, has a statement. We will be glad to have you stay as long as you can.

Mr. DOWNING. Thank you, Mr. Chairman. We appreciate this opportunity to appear before you.

STATEMENT OF DAVID H. WALLACE, DIRECTOR, OYSTER INSTITUTE OF
NORTH AMERICA

My name is David H. Wallace. I am the director of a trade association called the Oyster Institute of North America, with offices at 6 Mayo Avenue, Bay Ridge, Annapolis, Md. Our people grow and ship about 90 percent of all oysters in the United States, and our members are located in 17 coastal states and a number of Midwestern States. We favor strongly the passage of H.R. 946.

We believe that oyster growers are farmers in the same way the tillers of the land are farmers. The oyster farmer does the same things as the land farmer, but with the additional handicap of working his grounds under 5 to 25 feet of water. He grows his own seed or buys it, just as does the land farmer. When the seed oysters are the right size and age, our farmers transplant the seed to their growing beds, or fields if you will permit use of the word in this way. When the crop of oysters has grown and matured the oysters are harvested, packed in various ways and sold through much the same channels as other farm products.

There are several situations where Congress has seen fit to classify our product along with agricultural commodities. We have enjoyed the same exceptions from truck regulations as has certain agricultural products. This exemption was granted many years ago, to recognize that the vicissitudes of nature affect our production just as they affect the production of the land farmer.

The similarity of oyster farming to land farming was recognized in the establishment of the Production Credit Association. Since the middle 1930's oyster farmers have been eligible for crop loans on much the same basis as land farmers. Oystermen in Rhode Island, Connecticut, New York, New Jersey, Maryland, and Virginia have been using this loan service. I am advised that the underwater farmers record of payment has been excellent.

The Internal Revenue Service has recognized the similarity between land and underwater farmers. In tax returns oyster farmers are generally on a cash rather than an accrual basis. The costs of seed and planting are considered direct expense and all sales are considered direct income. This method of tax computation takes into consideration the inability of the oyster farmer to predict what his production will be.

As the committee undoubtedly knows, when oysters spawn the eggs and sperm are shed directly into the water. The eggs are fertilized by chance. After fertilization the free swimming larvae goes through a series of changes. In about 2 weeks the baby oyster settles to the bottom and cements itself to some hard object. The oyster is henceforth a sedentary animal, unable to move from one place to another without assistance from man or from extreme turbulence created by storms. After the oysters have grown for a few months they are called "seed" and are ready for transplanting. If they are left in the seedbeds they become overcrowded as they grow, and are unable to mature properly. They are removed then from the seedbed and transplanted to so-called growing grounds, where they remain from 2 to 4 years until they have grown to maturity. Some farmers even transplant the mature oysters to other beds where they become fat just prior to marketing.

In all of these operations the oyster farmer is constantly faced with the possibility of natural disasters. Hurricanes along the Atlantic and gulf coasts periodically create havoc to those in this business. In a violent storm with winds over 75 miles an hour giant waves are created even in our estuaries, with extreme turbulence to the bottom. This churning action either rolls the oysters from the hard surface of the oysterbed and on to the adjacent soft mud, or actually deposits a layer of mud and sand directly on to the oysters. In either case, the oysters are unable to pump water to breathe. They are smothered and the crop is lost. In some cases, such as the tropical storms Connie and Diane in the summer of 1955, tremendous quantities of fresh water pour down the rivers

from the heavy rains. The salinity of the water is reduced below the salinity in which the oysters can survive. Beds of oysters in whole areas are wiped out in such cases.

The oyster farmer is little different from land farmers. Generally he is a small operator with a limited number of acres under lease. Most of his capital is tied up in the crops he has growing on his bed. He must have two or three plantings of different ages at all times, so that he can harvest a crop each year. When he is severely damaged by a natural disaster he has little opportunity to reseed his beds through normal channels of credit. Regular banking channels, which are readily available under normal conditions, become unavailable. At the present time the oyster farmer has no source to turn to for financial aid in replenishing his beds.

All too frequently in the past I have had the unpleasant experience of seeing reputable, honorable men forced to abandon their lifework because they were damaged so badly they could not stay in business. For this reason, we appeal to you to make available disaster loans to oyster farmers in the same way as for land farmers. While we realize that the officials in the Farm Credit Administration have no experience in dealing with oyster farmers, I can assure you they are pretty much the same kind of people as land farmers—honorable, rather proud, and independent people used to working with nature and battling the elements. Technical advice is immediately available to FCA through the Interior Department's Bureau of Commercial Fisheries.

More and more we hear the opinion expressed by governmental officials and others that we must look to the sea in the not too distant future to supplement the wonderful job being done by our land farmers in feeding our expanding population. It seems to us that the provision of H.R. 946 is one step in the gearing up process to do eventually the job of food production from the sea. Natural disasters should not and must not be permitted to put out of business these farmers who are the progressive leaders in the seafood business.

The question has been raised about the cost of such a loan program. It is obvious to me that in the long run it will be self-supporting, just as the loans to land farmers. Even in the beginning it is doubtful if the FCA would need additional funds to carry out this expansion of their function.

We urge your support of this legislation. It is constructive, it is humanistic, and it will insure a more stable production of a highly nutritious, high-protein food.

Mr. POAGE. I believe that Mr. Highfill and Mr. Barnard are here from the Department of Agriculture. We will be glad to hear from you now.

Without objection, we will insert the report from the Department of Agriculture into the record at this point.

(The report of the Department dated May 9, 1961, together with attachment dated September 27, 1960, follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., May 9, 1961.

Mr. HYDE H. MURRAY,
*Assistant Clerk, Committee on Agriculture,
House of Representatives, Washington, D.C.*

DEAR Mr. MURRAY: The first question in your letter of March 23, 1961, concerns the legal status of oyster farmers in regard to their eligibility for loan programs administered by the Department of Agriculture. Enclosed is a copy of our memorandum to the Administrator of the Farmers Home Administration dated September 27, 1960, with respect to this matter as it applies to disaster loans made under section 2(a) of Public Law 38, 81st Congress, 12 U.S.C. 1148a-2(a). That opinion recognizes that the term "farmers" should ordinarily be given its usual and customary meaning and that the question of who is a farmer is primarily for administrative determination under the terms of that statute. However, because of the legislative background there discussed, it concludes the better view to be that loans to oyster planters are not authorized under that act. We have not had occasion to consider whether the same reasoning would be applicable to loans made under titles I and II of the Bankhead-Jones Farm Tenant Act, as amended, 7 U.S.C. 1001 et seq.

The second question in your letter of March 23 is concerned with the legal definition of "agriculture," both in a broad sense and more particularly as it re-

lates to enterprises such as bird ranches, fur farming, lobster producing, fish production, oyster farming, and worm ranching. There are numerous court decisions and law treatises containing legal definitions of the term "agriculture." These definitions seem to vary, depending upon the wording and purpose of the statute being construed or other purpose for which the definition is given. 2 Am. Jur. 395; 3 C.J.S. 365; Bankruptcy Act, 11 U.S.C.A. 1, 22, 203; Social Security Act, 42 U.S.C.A. 1011; Fair Labor Standards Act, 29 U.S.C.A. 203(f); various State workmen's compensation acts; and Words and Phrases.

From the above citations and cases annotated thereunder it will be noted that the term "agriculture" is sometimes construed as synonymous with farming but also has a broader meaning in some circumstances. In construing section 2(a) of Public Law 38 above mentioned, we have taken the position that if the term "farmer" in an area, is generally understood to include a person engaged in fish propagation and fish culture for food purposes, an administrative determination that he is a farmer under that act would be legally supportable. We have also held that under title II of the Bankhead-Jones Farm Tenant Act, above mentioned operating loans for the purchase of mink for breeding purposes may be made to so-called fur farmers since they come within the term "stockmen" in that act. This opinion was based in part on the fact that the act of April 30, 1946 (60 Stat. 127), contained a congressional declaration "that for the purpose of classification and administration of acts of Congress, Executive orders, administrative orders, and regulations * * *" certain named fur-bearing animals raised in captivity for breeding or other useful purposes are domestic animals, such animals and the products are agricultural products, and the breeding, raising, producing, or marketing of such animals or their products by the producer is an agricultural pursuit.

Broadly speaking, the question of whether bird ranching, fur farming, lobster producing, fish production, oyster farming, and worm ranching come within the definition of "agriculture" or "farming" would depend to a large extent on whether the enterprise has generally and historically been considered to be an agricultural or farming enterprise as distinguished from a commercial, manufacturing, processing, or other business. However, the type and purpose of the operation and the applicable statutory provisions, together with the legislative history of such provisions, would have to be considered in determining the category into which each enterprise would fall.

The Capper-Volstead Act, (7 U.S.C. 291 and 292) refers very generally to "persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers" in defining persons who may act jointly in a cooperative marketing association or through agencies in common without violating the antitrust laws. The interpretation and application of this provision incident to enforcement of the antitrust laws is, of course, the function of the Department of Justice.

Sincerely yours,

JOHN C. BAGWELL, *General Counsel.*

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., September 27, 1960.

To: K. H. Hansen, Administrator, Farmers Home Administration.

From: Assistant General Counsel.

Subject: Production Emergency Loans to Oyster Planters.

This is in reply to your memorandum of September 26, 1960, requesting advice as to whether oyster "planters" are "farmers" under Public Law 38, 81st Congress (12 U.S.C. 1148a-2).

That act authorizes the Secretary of Agriculture "to make loans to farmers and stockmen for any agricultural purpose in any area * * *." In the absence of any showing to the contrary, we believe that the word "farmers" should be given its usual and customary meaning. Consequently, if the term "farmers" as used in a particular area is generally understood to include oyster planters, an administrative determination that such a person is a farmer would be legally supportable.

As you know, the Farm Credit Administration was confronted with this same problem many years ago. The production credit associations had authority under 12 U.S.C. 1131g to "make loans to farmers for general agricultural purposes and for other requirements of the borrowers." Apparently the Farm Credit Administration thought that this authority, which is very similar to the

Public Law 38 authority quoted above, did not authorize the making of loans to oyster planters. Accordingly, in 1934 Congress passed a special act giving production credit associations authority to make loans to oyster planters (12 U.S.C. 1131g-2). In connection with the debate on this bill, at page 10912 of the Congressional Record for June 6, 1934, Senator Barbour made the following statement:

"Mr. President, this bill has been suggested and approved by the Production Credit Administration of the Agricultural Credit Bureau so that oyster planters and growers who will be the ones benefited under this bill can be in the same category as is any agricultural group applying for a loan. These oyster planters have asked for a loan and need a loan, and the Department is perfectly willing to grant them proper financial assistance properly secured, but because of the fact that they are raisers of oysters and not agricultural products it was felt that the loan could not be granted because of the legal wording of the law."

While we have been unable to find any court decisions on the question of whether oyster planters have ever been held to be farmers, it appears that they are generally referred to as oystermen or oyster planters, rather than as farmers. We note that in a memorandum dated January 28, 1957, to the State director for New Jersey you concluded that farming in the usual sense consists of the production of crops, livestock and livestock products and does not include the production of fish or oysters or other marine life or products.

In 1959 the Farmers Home Administration and the Small Business Administration agreed that applicants engaged solely and primarily in the production of agricultural commodities would be considered as being engaged in an agricultural enterprise. It was said that this normally, but not always, would involve cultivation of land for the production of food and fiber. A number of examples were given of agricultural enterprises with respect to which financial assistance would normally be furnished by FHA and production credit associations if the applicants met all other eligibility requirements. Included in these examples was "Oyster planters by production credit associations, by law (12 U.S.C. 1131g-2)." From this language it appears to have been clearly understood that (1) oyster planters were eligible for production credit association loans rather than FHA loans, and (2) such eligibility arose out of the special act of Congress rather than from the general authority of production credit associations to make loans to farmers.

While there may be a clear distinction between farmers on the one hand and commercial fishermen, oyster planters have several characteristics of farmers. They often own the oyster beds or hold them under lease and they plant or "seed" the oysters, transplant them and "cultivate" and harvest them.

As indicated above, we think that the question of who is a farmer in a particular area is one primarily for administrative determination. However, in view of the fact that the Farm Credit Administration apparently considered it necessary to have special congressional authorization to make loans to oyster planters when it already had general statutory authority very similar to that contained in Public Law 38, we believe that the better view is that emergency loans to oyster planters are not authorized by that act.

R. F. KOEBEL.

**STATEMENT OF J. V. HIGHFILL, ASSISTANT ADMINISTRATOR;
ACCOMPANIED BY CHARLES C. BARNARD, DIRECTOR, BUDGET
AND STATISTICS DIVISION, U.S. DEPARTMENT OF AGRICULTURE**

Mr. HIGHFILL. Mr. Chairman and members of the committee, I am glad to be here. I would like to say that the Department has not taken a position on this particular bill or proposed legislation as we believe that the Department of the Interior would be in a better position to make a recommendation as to whether the Government should make loans to oysters planters. Therefore, we have not taken a position.

Mr. POAGE. They do not loan the money. It is your money and your people who put it up. You are in a better position to pass on it than someone else.

Mr. HIGHFILL. We are in the position that we do not know much about the oyster industry.

Mr. POAGE. That is right. And if you are not in a position to do so, I think it is perfectly proper for you to say so, but I do not understand the position of the Department in saying that the Department of Interior is in a better position to pass on whether we ought to make a loan than you are yourself. If that is a fact, then I have lost a great deal of confidence that I had in you, because——

Mr. HIGHFILL. At this point, Mr. Chairman——

Mr. POAGE. Do you think that the Department of Interior knows more about your business than you do?

Mr. HIGHFILL. No; I did not mean that. I am sorry if I left that impression. We thought that the Department of Interior would make a report on the bill.

Mr. POAGE. Nobody has asked the Department of Interior to do anything. Nobody has asked them to put up any money or to give up anything or to do anything.

Mr. HIGHFILL. We made a report, but we did not take a position on this.

Mr. POAGE. I know that.

Mr. HIGHFILL. Up to this point——

Mr. POAGE. If you do not want in, in this picture, I think it is perfectly proper for you to say so. I find no fault with your saying that it is something that you do not have any business getting into. There is nothing wrong with that. On the other hand, if you do want it, I think that you ought to say so.

Mr. HIGHFILL. We think that we did not have the necessary information to say what we would recommend on this bill. That is how little we know about the oyster industry.

Mr. POAGE. Do not tell this committee to go to the Department of Interior because we have no business with the Department of the Interior. We might as well call on the State Department.

Maybe we can find somebody else who knows something about oysters.

Mr. MCINTIRE. In view of the reference to the Department of Interior, is it the assumption that it should be handled through the Bureau of Fisheries or the Fish and Wildlife Service, the emergency provisions?

Mr. HIGHFILL. We were under the impression that the Fish and Wildlife Service would be making a recommendation.

Mr. MCINTIRE. Does the Fish and Wildlife Service join in the recommendation? Have you got a recommendation?

**STATEMENT OF HAROLD E. CROWTHER, ASSISTANT DIRECTOR,
BUREAU OF COMMERCIAL FISHERIES; ACCOMPANIED BY JOHN B.
GLUDE, CHIEF, BRANCH OF SHELL FISHERIES, DEPARTMENT OF
THE INTERIOR**

Mr. CROWTHER. We are somewhat handicapped in providing the information, too, because the Department does not have a position as yet.

Mr. MCINTIRE. You have the same position as the Department of Agriculture?

Mr. CROWTHER. We do not have a departmental position. However, the Department has submitted a position on a similar bill. We testified on another oyster bill, H.R. 7336 sometime ago. I would be pleased to tell the committee what position we took on that and what developed in the testimony there.

Mr. POAGE. We will be glad to have you tell us.

Mr. CROWTHER. In H.R. 7336 there are two main provisions. One is to authorize loans to producers of oysters. And the second one is to give the Secretary of Interior authority to purchase stocks of disease resistant oysters.

In the departmental report we favored the acquisition of the disease resistant oysters. On the other hand, we felt that at that time, and our report was prepared in August, that we did not know enough about the possibility of developing disease resistant stocks to suggest that a loan fund be made available at that time.

Mr. POAGE. Do you at this time?

Mr. CROWTHER. In our testimony before the Merchant Marine and Fishers Committee, however, which was just about a month ago, we mentioned that there had been some significant developments since we prepared our report. Since that time the industry saw fit to take a chance with about 166,000 bushels of oysters and planted them in an area which was pretty heavily contaminated with the MSX organism which Congressman Downing mentioned. And they came out ahead.

The oysters not only survived, but they grew and they were harvested in 1 year.

Perhaps the oysterman may have profited a little bit from it but it indicated—perhaps some resistance has been developed in these oysters.

We believe that should this continue through the next year's planting, through 1963, that it would be well worth the chance to put in substantial quantities of oysters and replant them in Delaware Bay and Chesapeake Bay which have been overrun with this organism and that it would be the rebirth of the industry up there.

The Department has not taken an official position in favor of loan funds, but in our testimony we mentioned that since we have said in our original position we did not recommend the loan fund at this time that we thought that the conditions had developed since then which would make a loan fund well worth considering for the oystermen.

Mr. POAGE. The Department of Interior does not have any actual interest in any land there—there is no Federal land there, is there?

Mr. CROWTHER. No, under the Fish and Wildlife Act of 1956, though, we have pretty broad authority on all fishery matters.

Mr. POAGE. Fish move, they move from one area to another. And migratory animals move freely. Therefore, there is a kind of interstate commerce, as it were. But those animals that never get across the State lines, what business is it of yours?

Mr. CROWTHER. We work on inshore stocks as well, for instance, in the shrimp industry.

Mr. POAGE. Shrimp move in the ocean, and are caught in international waters or federally owned waters. Oysters, as I understand it, not one of them is in federally owned waters. They are all caught in territorial waters, is that not right?

Mr. CROWTHER. Yes.

Mr. POAGE. They cannot move across State lines, can they?

Mr. CROWTHER. The oyster larvae can. When the spawning occurs the oyster larvae can move and does move across State lines. This disease that is so prevalent there now has no respect for State lines, either. It has swept up the entire Delaware Bay and Chesapeake Bay.

Mr. POAGE. I know that. Neither does rust on wheat observe any State lines. It starts in my portion of the country and goes up into the hills in Don Short's district. The Department of Interior has not concerned itself about that. It is an agricultural problem.

What I am trying to find out is how does this become a problem, the problem that we have here, of the Department of the Interior. I do not care if you handle it or if the Department of Agriculture handles it, but how does it become your problem, anyhow?

Mr. CROWTHER. We think it is classified as a fishery product, and under the Fish and Wildlife Act that would become our consideration.

Mr. POAGE. How do you get hold of the fish? You get hold of fish because fish do move freely.

Mr. CROWTHER. This is not true of all fish. For instance, Haddock stocks are not with a State, but they confine themselves to a bank, to Georges Bank, for example.

Mr. POAGE. That is in international waters.

Mr. CROWTHER. That is right.

Mr. POAGE. That is not something like somebody owned on private or leased land. Am I not right that these oysters are all grown on land that is either owned or leased or under State law, somehow or other?

Mr. CROWTHER. That is right.

Mr. POAGE. It is not on Federal land, is it?

Mr. CROWTHER. No, it is not.

Mr. POAGE. That is the point. I do not know of any oysters that are grown on any Federal land. You get jurisdiction, for example, over land in the West because that is Federal land—not because they are grazing lands, but because it is Government-owned land.

Mr. CROWTHER. That is right. Of course, our interest is not in the land problem, but in helping the industries which are classified as fishery industries.

Mr. POAGE. Can we sum it up that you are willing to take the jurisdiction and you say that you do not know whether you want it or not—you are willing to take the oyster people and take care of them?

Mr. CROWTHER. If agriculture will provide us the funds we will.

Mr. POAGE. I did not understand that they had any. Why should they pay for it if you are willing to take them, to support them—that is all we are asking you.

Mr. CROWTHER. I think you mentioned earlier, sir, there is a provision in existing loan funds which is administered by the Department of Agriculture where some of our oyster planters and growers—

Mr. POAGE. Now, that is the Farm Credit Administration and it is not part of the Department of Agriculture. Under the law it is a separate agency. They do not handle Federal funds. They are handling cooperative funds. That is what they are handling. They have the same right to make a loan that the First National Bank has.

And they make it on about the same terms. As a matter of fact, the First National Bank would make a loan on cattle in Colorado, but that does not relieve us of the responsibility of making some provision for disasters out there.

Mr. CROWTHER. You are referring to the Farm Credit Association.

Mr. POAGE. I am referring to Farm Credit. It is not any more a part of Interior than Agriculture.

Mr. CROWTHER. Yes, sir. The funds in that case do not come from Interior.

Mr. POAGE. No. We do not want the funds to come from Interior. I gather that Agriculture does not want the funds to be coming from them.

Mr. HIGHFILL. That is correct.

Mr. POAGE. So it seems to me that everybody is willing to mean well, but nobody is willing to do anything about it.

Mr. DOWNING. Exactly.

Mr. MCINTIRE. Does the Bureau of Fisheries do any research work on oysters?

Mr. CROWTHER. Yes, sir, we do.

Mr. MCINTIRE. Do you carry on any research work under the act in connection with that?

Mr. CROWTHER. Yes, sir.

Mr. MCINTIRE. Are you making any loans for the building of boats that are used in the oyster industry?

Mr. CROWTHER. I do not believe, sir, that there has been a loan to oyster planters. We do have a fishery loan fund which is designed for operation, maintenance, replacement and equipment of fishing gear, and vessels. I think all of those to date have been loaned out to the actual fin fish in contrast to shell fish.

Mr. MCINTIRE. Under that act are shell fish eligible for loans? If an operator made an application and it was a sound loan, would he be eligible?

Mr. CROWTHER. We could for the vessel only, sir—not for the planting of the oysters. The fishery loan fund specifically mentions the vessel itself.

Mr. MCINTIRE. I realize that.

Mr. CROWTHER. If the oyster planter needed a vessel repaired I would think that we could make a loan to him for that purpose. We could not provide him with money from the fishery loan fund for the purchase of oysters or for planting the oysters.

Mr. MCINTIRE. You are closely associated with the oyster industry right now, are you not?

Mr. CROWTHER. Yes, sir; we are.

Mr. MCINTIRE. Do you have any authority whereby you can make loans under emergency situations to anyone in the fishing industry?

Mr. CROWTHER. No, sir. Our only loan authority is in section IV of the Fish and Wildlife Act which is the fisheries loan fund.

Mr. MCINTIRE. That is not an emergency?

Mr. CROWTHER. No, we require—we have fairly strict requirements in regard to collateral.

Mr. MCINTIRE. Thank you.

Mr. GATHINGS. I would like to ask the Department of Interior witnesses or the Department of Agriculture witness, or both, whether you would have any objection to this legislation proposed by Mr. Downing.

I would like to know whether or not you oppose in the Department of Agriculture this legislation or you are not taking a position on it at all? Do you think it is good legislation?

Mr. HIGHFILL. As far as I know it is good legislation. We would not have any objection to assuming any responsibility that the Congress would give us, but as I said in my statement, to begin with, we do not now have the technical know-how regarding oyster farming. We are unacquainted with it. And up to now it has not been classified as farming.

So far as our emergency lending authorizations are concerned, we would have no objection to doing what we could to carry out any act that the Congress might give us with reference to the oyster industry. But we would have to call on people like the Fish and Wildlife Service for technical guidance and assistance in handling this type of loan.

Mr. GATHINGS. The Fish and Wildlife people just a moment ago stated that they would like to see loans in this emergency situation granted, provided that the Department of Agriculture furnished the funds—is that not about what you said?

Mr. CROWTHER. I believe that we said that we would be happy to administer them if we received funds from Agriculture. What I would like to point out is that the Department of Interior does not have an official position on this particular bill. On a bill that was similar to it, we took the position that we recognized there are severe problems in the oyster industry. We would favor the acquisition of the resistant stocks for transfer to the producers, but that at the time we prepared our report we suggested that we did not believe that the time had come yet for this loan provision.

Mr. GATHINGS. You recognize that there is a disaster down in Virginia?

Mr. CROWTHER. Yes, sir; that is right; we certainly do.

Mr. GATHINGS. But these folks who are engaged in the oyster business, who have suffered the disaster, need to get remedial loans.

Mr. CROWTHER. At the time we prepared our bill, which was in August, we could not see resistant strains of oysters coming onto the market very soon. As I mentioned earlier we have seen quite a change in the industry since then. And there, apparently, are resistant strains becoming available to the industry. I mentioned that we now looked with much more favor than we did in our original report on the assistance to the oyster industry in the form of loans.

Mr. GATHINGS. If the loan is made, though, it would be made through the Farmers Home Administration and would not be under the jurisdiction of the Fish and Wildlife of the Department of Interior.

Mr. CROWTHER. We would provide technical assistance to the Farm Credit Administration or to anyone who requests it, so far as oysters are concerned. We do this now in other areas—in the Area Redevelopment Administration program. When that is proposed; that is, loans that involve fisheries, they come to us for advice on the fishery matters, and we review these loans very carefully and give our opinion as to whether the loan should be made or whether it will help the industry.

Mr. GATHINGS. That is the information that you would want, is it not? The dollars would come to your Department, and you, of course, would want to administer it.

Mr. HIGHFILL. Yes, sir.

Mr. GATHINGS. The application would come in.

Mr. HIGHFILL. As I see it, any funds used out of the emergency credit revolving fund would have to be administered by the Secretary through the Farmers Home Administration.

Mr. GATHINGS. Thank you. That is all.

Mr. JOHNSON of Wisconsin. You mentioned that you provided a certain amount of oysters in the area.

Mr. CROWTHER. This was done by the industry itself.

Mr. JOHNSON of Wisconsin. By the oystermen?

Mr. CROWTHER. Yes, sir; 166,000 bushels.

Mr. JOHNSON of Wisconsin. Were they planted in areas where oyster farmers had leases and possession of them?

Mr. CROWTHER. Yes, sir.

Mr. JOHNSON of Wisconsin. Was any charge made to the oyster-man?

Mr. CROWTHER. They pay for the lease each year, for the land, but they bought the oysters themselves.

Mr. JOHNSON of Wisconsin. There is nothing in the bill about the Government buying oysters?

Mr. CROWTHER. No, sir.

Mr. POAGE. Are there any further questions?

(No response.)

Mr. POAGE. If not, we are very much obliged to you.

Mr. STUBBLEFIELD. Do you carry on research work in laboratories on oysters?

Mr. CROWTHER. Yes, sir. We have one at Milford, Conn., also one at Oxford, Md. We do considerable work on oysters.

Mr. STUBBLEFIELD. Thank you.

Mr. POAGE. Are there any further questions?

(No response.)

Mr. POAGE. If not, we thank you again.

Mr. HIGHFILL. Thank you.

Mr. CROWTHER. Thank you.

Mr. POAGE. The committee will consider the bill.

Mr. DOWNING. Thank you very much, Mr. Chairman.

H.R. 9290

Mr. POAGE. We will now turn to H.R. 9290 by our colleague, Mr. Abernethy.

(H.R. 9290 is as follows:)

[H.R. 9290, 87th Cong., 1st sess.]

A BILL To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g), is further amended as follows: Subsections (b), (c), (d), (e), (f), and (g), and the subsection designation "(a)" are stricken out.

SEC. 2. (a) Subsection (a) of section 8 of said Act, as amended, relating to the period within which the Secretary is authorized to develop programs and make payments directly to farmers for specified purposes, is hereby repealed.

(b) The first sentence of subsection (b) of section 8 of said Act, as amended, is amended by striking out the words "Subject to the limitation provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The".

(c) Subsections (b), (c), (d), (e), and (f) of section 8 of said Act, as amended, are redesignated as subsections (a), (b), (c), (d), and (e), respectively.

SEC. 3. References to sections 7 and 8 and subsections of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act, as amended, shall be deleted, redesignated, or otherwise adjusted to conform with provisions of sections 1 and 2 of this Act wherever such references occur in the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 26, 1962.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: This is in reply to your request of January 23, 1962, for a report on H.R. 9290, a bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended.

This Department recommends that the bill be passed.

The bill would repeal provisions of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act which authorize administration of the agricultural conservation program through State plans and grants to States and which limit the period of time in which the Secretary of Agriculture is authorized to operate the program on a national basis.

The program was first authorized in the Soil Conservation and Domestic Allotment Act of February 29, 1936, in the form of a grant-in-aid program to be operated through the States. At that time, the Secretary of Agriculture was authorized to administer the program on a national basis only until December 31, 1937, or such earlier time as the States passed enabling laws and submitted acceptable plans qualifying them for the grants-in-aid.

By the act of June 28, 1937, the authority of the Secretary to operate the program, pending approval of State plans, was extended through 1941. Since then, this authority has been extended eight additional times, for periods ranging from 2 to 5 years. The present authorization of the Secretary to operate the agricultural conservation program on a national basis will expire on December 31, 1962, having been extended for 4 years from December 31, 1958, by Public Law 85-553, approved July 25, 1958.

Only 25 States and the Commonwealth of Puerto Rico now have in effect State laws authorizing administration of this program. Moreover, only one State has ever submitted a plan, and this was disapproved by the Secretary on the basis of inadequacy.

There appears to be no desire on the part of the States to assume the responsibility that was anticipated in 1936 when the act was passed. The Department has worked with State governments over the years in an effort to create interest and to encourage State action in this respect. Following out the congressional policy expressed in the Agricultural Act of 1954, which amended section 8(a) of the Soil Conservation and Domestic Allotment Act to provide that during the period of Federal operation of the program "the Secretary shall carry out the purposes specified in section 7(a) as rapidly as adequate State laws are enacted and satisfactory State plans are submitted," this Department met with the Council of State Governments to discuss this matter. This conference failed to arouse any interest on the part of the States. We have received no indication since that time that any State has an intention of submitting a plan to operate this program.

It is our considered judgment that the retention of this unused provision which permits State operation of the program, coupled with the necessity of seeking a renewal of authority for the Secretary to administer it on a national basis through State, county, and local committees, creates a distinct disadvantage. On the other hand, the passage of the bill under consideration, placing the program on a definite Federal basis, to be administered as at present, would tend to strengthen its effectiveness as a national conservation effort and promote more efficient administration through the farmer-committee system.

The enactment of this bill will not require any additional program or administrative funds.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary*.

**STATEMENT OF HON. THOMAS G. ABERNETHY, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MISSISSIPPI**

Mr. ABERNETHY. Mr. Chairman and members of the subcommittee, while my opinions may not be worth too much, I do not think it is necessary to make any unusual record on this legislation, because all members of the committee, particularly you, Mr. Chairman and Mr. Gathings have been here so long that you are quite familiar with them, in fact, all of the members are.

This bill extends the Soil Conservation and Allotment Act which will expire on December 31 of this year.

Mr. POAGE. And probably if we extend it, it will make it permanent.

Mr. ABERNETHY. I will get to that in a minute.

It was first authorized on February 29, 1936, and since that time it has been extended 8 times, from 2 to 5 years on each occasion. Four years ago legislation came out of this committee which made it permanent, but when it got over to the Senate, the Members of the Senate felt that they wanted to review it from time to time, and so they insisted on a 4-year extension and opposed the permanent extension.

I do not know that there has been any review made of the program. However, it is reviewed each year by our Appropriations Committee.

The Department has filed a very favorable report under date of February 26, 1962, which I would like to make a part of the record.

Mr. POAGE. That has already been made a part of the record.

Mr. ABERNETHY. Except as to the contents of this report I do not care to add anything else, except to say, Mr. Chairman, that this bill extends the act—it makes it permanent—and it withdraws or repeals from the present law the authority which provides that each State shall prepare a plan of conservation and, eventually, take over the operation of the program.

Only one State throughout all of the years has submitted a plan. And even that was rejected.

The Department feels, and I feel, and I think I am quite sure the committee would have the same view, that this is strictly a Federal program. It ought to be extended as such and I trust that the committee will so agree.

Mr. Chairman, I would like to say that this bill was introduced just before we adjourned last year. Since that time the administration's H.R. 10010 has been submitted to the committee, and a comparable provision is included in that legislation. So if the committee sees fit to report this bill I assume that it would be reported only in the event something might happen to H.R. 10010, between here and the floor of the House of Representatives.

Thank you.

Mr. POAGE. Thank you very much, Mr. Abernethy. I think we might call attention to the fact that the report Mr. Abernethy refers

to recommends that this bill be passed without any qualifications. I believe that there is someone here from the Department, Mr. Ritchie, I believe, is here.

STATEMENT OF FRED RITCHIE, ASSISTANT DEPUTY ADMINISTRATOR FOR CONSERVATION, ASCS, U.S. DEPARTMENT OF AGRICULTURE

Mr. RITCHIE. Mr. Chairman and members of the committee, I have no statement. I will be glad to answer any questions.

Mr. POAGE. You recommend it?

Mr. RITCHIE. The Department recommends it.

Mr. POAGE. Are there any questions?

(No response.)

Mr. POAGE. If not, we are very much obliged to you, Mr. Ritchie; and we thank you, Mr. Abernethy.

Mr. ABERNETHY. Thank you.

H.R. 10374

Mr. POAGE. We will now pass to H.R. 10374, which is a bill by Mr. Cooley, to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives. I believe that Mr. Heitz, Deputy Governor and Director of Cooperative Bank Service of the Farm Credit Administration is here on that.

(H.R. 10374 is as follows:)

[H.R. 10374, 87th Cong., 2d sess.]

A BILL To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Agricultural Marketing Act, as amended (12 U.S.C. 1141d), is amended by adding the following sentence at the end thereof: "Effective upon enactment of this sentence the sum authorized to be appropriated for the aforesaid revolving fund is reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury."

Mr. POAGE. We will be glad to hear from you now.

STATEMENT OF GLENN E. HEITZ, DEPUTY GOVERNOR AND DIRECTOR OF COOPERATIVE BANK SERVICE, FARM CREDIT ADMINISTRATION, ACCOMPANIED BY PAUL O. RITTER, GENERAL COUNSEL, FARM CREDIT ADMINISTRATION, U.S. DEPARTMENT OF AGRICULTURE

Mr. HEITZ. I have Mr. Paul O. Ritter with me, Mr. Chairman, and with your permission I have a prepared statement that I would like to read to you.

Because of travel commitments made before this hearing was set, Governor Tootell could not be here and has asked me to testify for the Farm Credit Administration on H.R. 10374. He asked me because the bill concerns the banks for cooperatives, which make loans to farmers'

cooperatives and are under the general supervision of the Cooperative Bank Service of which I am Director.

The purpose of H.R. 10374 is to reduce the amount of the revolving fund in the Treasury which is available for the Governor of the Farm Credit Administration to purchase class A capital stock in the banks for cooperatives. This revolving fund originally was authorized and established at \$500 million under section 6 of the Agricultural Marketing Act of 1929 for the purposes of the Federal Farm Board. By 1933 the affairs of that Board were being wound up and the administration of the fund passed to the Farm Credit Administration. When the banks for cooperatives were established, also in 1933, what remained in the fund was made available for the purchase of capital stock in such banks. The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled \$185,918,743.10. This is the amount now in the fund and is the maximum amount ever made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, \$35,918,743.10 of the cash in the fund would be credited to miscellaneous receipts of the Treasury, which would reduce the revolving fund to \$150 million.

At the present time \$106,817,000 of the fund is invested in the capital stock of the banks for cooperatives. Each year since the Farm Credit Act of 1955, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund. These repayments and any other cash in the fund continue to be available for further subscriptions to the capital stock of the banks for cooperatives as the Governor may determine is required for the purpose of meeting the credit needs of eligible borrowers from the banks. The last use of the fund to purchase capital stock in a bank for cooperatives was during World War II to help finance the processing and distribution of food and fiber for the war effort.

It may be helpful to review how the proposed reduction in the revolving fund may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law, the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately \$3 billion. If the revolving fund is reduced by \$35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately \$2.7 billion. This amount is about four times the peak loans of \$683 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is thought that reducing the revolving fund to \$150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

The Farm Credit Administration has recommended the enactment of H.R. 10374 and we hope that the committee will act favorably on it.

Mr. POAGE. Thank you very much, Mr. Heitz.

Are there any questions? It is so unusual to have a witness present who is requesting a reduction in funds rather than an increase. I think that the committee is very much impressed with your statement. We are very much obliged to you, Mr. Heitz. Thank you very much.

Mr. HEITZ. Thank you.

H.R. 10708

Mr. POAGE. We now have a bill which I introduced, H.R. 10708, which provides to amend section 203 of the Rural Electrification Act of 1936 with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity. We have Mr. Renshaw, Assistant Administrator for Telephone of the Rural Electrification Administration, with us today.

We shall be glad to hear from you now.

(H.R. 10708 is as follows:)

[H.R. 10708, 87th Cong., 2d sess.]

A BILL To amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sound, signals, pictures, writing, or signs of all kinds through the use of electricity

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 924), is amended by striking out subsection (a) thereof, and inserting in lieu thereof the following:

"(a) As used in this subchapter, the term 'telephone service' shall be deemed to mean any communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity between the transmitting and receiving apparatus, and shall include all telephone lines, facilities, or systems used in the rendition of such service; but shall not be deemed to mean telegraph services or facilities, or radio broadcasting services or facilities within the meaning of section 153(o) of title 47 (section 3(o) of the Communications Act of 1934, as amended)."

**STATEMENT OF E. F. RENSHAW, ASSISTANT ADMINISTRATOR
FOR TELEPHONE, RURAL ELECTRIFICATION ADMINISTRATION;
ACCOMPANIED BY WALTER L. WOLFF, DEPUTY ASSISTANT
ADMINISTRATOR; AND LOUIS GORRIN, OFFICE OF GENERAL
COUNSEL, RURAL ELECTRIFICATION ADMINISTRATION, U.S. DE-
PARTMENT OF AGRICULTURE**

Mr. RENSHAW. Mr. Chairman and members of the committee, I am Frank Renshaw, Assistant Administrator, REA, in charge of REA's telephone program. I am a 1939 graduate of Mississippi State College, with a degree in electrical engineering. I began work with REA in June 1939 and have since 1951 been working in REA's telephone program.

The following telephone program data may be of interest to the committee. As of January 31, 1962, REA has made loans totaling approximately \$860,500,000 to 771 telephone companies and cooperatives located in 45 States and the Virgin Islands. Of these, 559 are commercial companies with loans totaling about \$562,150,000, and 212 are cooperative-type borrowers with loans totaling \$298,350,000. As

a result of these loans 876,000 rural subscribers will receive improved service and an additional 800,000 rural families will receive service for the first time.

I appear today, at the committee's request, to discuss H.R. 10708, a bill which would amend the definition of "telephone service" as it appears in section 203 of the Rural Electrification Act. Because of the short notice given of today's hearing, there has been no opportunity to submit a departmental report on the bill or to determine, in accordance with usual procedures, its relationship to the administration's program.

In the summer of 1961, a number of REA telephone borrowers inquired as to the possibility of REA financing facilities to be used for delivery of educational telecasts to school systems located in their service areas. These inquiries came primarily from systems in South Carolina although other States indicated interest.

When this problem was presented to us, we inquired of the General Counsel's office as to REA's authority to finance local distribution facilities used for educational television. Our lawyers advised us that under the definition of "telephone service" in the present law, the only communication facilities which REA may finance are those in which "voice communication through the use of electricity * * * is the principal intended use." Consequently, communication facilities are excluded if they are intended solely for nonvoice communication, or for both voice and nonvoice communication where voice is not the principal element. Also expressly excluded by the definition are "telegraph services" and "radio broadcasting services," which as defined in the Communications Act of 1934 includes television broadcasting. H.R. 10708 would extend the communication facilities which REA may finance to those furnishing any type of communication service through use of electricity, including transmission of sounds, pictures, writing, signs and other data, as well as of voice. There would continue to be expressly excluded from permissible financing, as at present, all telegraph and public radio or television broadcasting facilities.

Counsel's interpretation was communicated to the interested borrowers. They expressed the view that REA-financed telephone systems should be able to render, in the rural areas they serve, the same service that other telephone utilities offer. It is our understanding that enactment of the pending measure is sought to achieve this and thereby to place REA-financed systems on technical and competitive parity with other segments of the industry. H.R. 10708 will, we believe, resolve any question as to REA's authority to finance the local distribution facilities intended for use primarily in educational television. The bill would possibly permit also the financing of other types of service, such as data transmission, facsimile reproduction, and other photographic transmissions, all of which are services commonly rendered by telephone companies. I would like to emphasize that H.R. 10708 would not open up a new field of REA financing for a new industry but would be a matter of enabling REA to take care of its telephone borrowers' needs in providing a service which telephone organizations will normally be called upon to provide.

Mr. Chairman, I failed to introduce the people I have with me. On my right is Louis Gorrin, from the Office of the General Counsel, and on my left is Mr. Walter L. Wolff, Deputy Assistant Administrator for the telephone program.

Mr. POAGE. Mr. Renshaw, as I understand it at the present time those who borrow from you are not able to carry out all of the telephone functions as those who borrow from commercial banks are able to do; is that right?

Mr. RENSHAW. That is right.

Mr. POAGE. Is it not true that one company may make a loan to provide rural services as an extension of the existing services and, in effect, provide these services on part of their lines, and then not have the right to provide them on lines on which you hold jurisdiction?

Mr. RENSHAW. That is true. They can provide only the type of service that we normally call conventional service through voice communication.

Mr. POAGE. On that part of the system which already is in operation before you made them a loan, they may finance these improvements through some other source. On those lines on which you have loaned they can transmit the educational broadcasts or any of the other species of transmission that are named here, as I understand it?

Mr. RENSHAW. That is right.

Mr. POAGE. Nor can they use their lines to transmit commercial telegraph?

Mr. RENSHAW. That is true.

Mr. POAGE. Even after the passage of this bill?

Mr. RENSHAW. That is exactly right.

Mr. POAGE. In other words, television, that is, commercial television and telegraph companies will not be in competition or have competition from these sources?

Mr. RENSHAW. Yes, sir.

Mr. POAGE. Educational television could move over these lines; facsimile and those kinds of things?

Mr. RENSHAW. Yes, sir. It would require a different type of facility, though. We could not use the conventional telephone wires or cables for educational television, but with additional authority to finance, we can provide other facilities, such as coaxial cables, microwave, et cetera.

Mr. POAGE. Even if they have that on part of their system they cannot put it on the lines you finance?

Mr. RENSHAW. That is right.

Mr. POAGE. So that the people who are on those lines which are financed by REA presently are denied the opportunity to get these services that are available on the lines that are not financed by REA?

Mr. RENSHAW. That is true.

Mr. POAGE. Even in the same company?

Mr. RENSHAW. However, we have not made loans to companies that already have this type of facility. This is a fairly new facility. I do not know of any of our present borrowers who are now providing educational television facilities. The normal borrower which we already have would under this bill be able to come to the REA and obtain loans for financing educational television facilities.

Mr. POAGE. There is nothing, however, to keep a borrower from getting in exactly the same situation that I described?

Mr. RENSCHAW. That is true. If the telephone company that came to us already had television facilities and got a loan we could not expand those facilities under the present act, but under this bill we could lend them money to expand those facilities.

Mr. POAGE. As we see into the future these things are going to develop—I see no question but what they will and it seems for the future quite probable in the substance of this bill you will have two types of rural services, that financed by the REA and that which is not financed by the REA. And that financed by the REA will be restricted, so that they cannot provide these services?

Mr. RENSCHAW. That is true.

Mr. POAGE. They will be able to give this service, even though the facilities are owned by the same company?

Mr. RENSCHAW. That would be true.

Mr. POAGE. If it is educational?

Mr. RENSCHAW. Yes.

Mr. POAGE. Are there any other questions?

Mr. MCINTIRE. If I understand correctly what you are saying here is that you want the REA to be authorized to move over from the paid service on telephone loans to coaxial cables and microwaves?

Mr. RENSCHAW. Yes. We do not now have authority to finance educational TV, whether it be through microwave or coaxial cable. Under this bill our borrowers, the existing borrowers and the new borrowers, would be able to come to the REA and obtain financing for a service which they are called upon to provide, and which we cannot now finance under the present law.

Mr. MCINTIRE. This service is not over the land lines—this is a service which is new, for which new facilities and a different type of service than most of the lines you have now?

Mr. RENSCHAW. Yes, this is true. This type of service normally is furnished from city to city. We call it microwave radio. We are not particularly concerned with the REA financing that particular type of service, but when it reaches a borrower service area—the local distribution system for educational TV—that would be the point at which the REA financing would come into play. And, of course, those facilities would consist, perhaps, of closed circuit coaxial cable, and in some instances possibly closed circuit microwave facilities.

Mr. MCINTIRE. And your interest lies only in those areas where REA for all practical purposes is the community system in the community?

Mr. RENSCHAW. That is exactly correct, sir.

Mr. MCINTIRE. And your interest is that if there is additional TV, it may be made available for specific channels and not specifically to closed circuit; is that right?

Mr. RENSCHAW. Well, I would like to answer that this way, that we would not be involved in it unless it is closed circuit because under your broadcasting limitations even under this bill REA would not be able to participate in financing broadcasting of an educational TV system even in the area of our borrowers. That would be done by a broadcasting company.

Mr. MCINTIRE. Well, in that event, isn't it a fact that there are some areas for some residents where REA telephone service is for all practical purposes the only telephone service?

Mr. RENSHAW. That is right.

Mr. McINTIRE. And this service by closed circuit or coaxial cable, the distribution of that communication would be within the community in that area?

Mr. RENSHAW. Yes, sir; that is correct.

Mr. McINTIRE. Not long-distance transmission?

Mr. RENSHAW. No, sir.

Mr. SHORT. Mr. Chairman.

Mr. POAGE. Yes, sir.

Mr. SHORT. I still cannot get the picture of REA under the provisions of this bill. REA has telephone lines out to each customer. Is it proposed under this bill to give REA authority to build the local broadcasting facilities?

Mr. RENSHAW. No, sir. We now have facilities rendering voice communication to subscribers located within an area that has been assigned to a particular borrower. Along comes educational TV which is not principally voice communication and which we cannot finance, but that service is provided to schools or, perhaps, to educational centers—

Mr. SHORT. May I interrupt you right there? This educational TV is going to be broadcast on a channel of its own; and is that going to be available to everybody within the range of that broadcasting station?

Mr. RENSHAW. No, sir. It will be on a frequency that is not normally the type of broadcast TV which we recognize here in Washington. It will be on a different frequency than you and I would be able to receive.

Mr. SHORT. You mean that the normal set would not pick this up, is that it?

Mr. RENSHAW. Yes, sir; that is correct. It is a closed circuit in itself, in that there is a microwave radio relay from, say, the city of Columbia, S.C., down to perhaps a couple of hundred miles down the State to another pickup station which may be at the exchange of one of our borrower systems.

Well, the borrower will pick that up at that point and distribute the signal to schools scattered over the exchange area. It is not the type of television that anyone could tune in on. It is a closed circuit system that would not be picked up by anyone other than those who are connected.

Mr. SHORT. Well, then, this is not going to be a service that is available to all the people that will be served by your telephone lines; is it?

Mr. RENSHAW. Through the schools; yes, sir.

Mr. SHORT. Just to the schools within that area?

Mr. RENSHAW. That is right. No individual subscriber would be able to pick this up unless he were also tuned in, that is, if he actually had a cable running to his premises, which is not likely. There might be some of that but not a great deal.

Mr. SHORT. Does this involve a cable line?

Mr. RENSHAW. Yes, sir, a coaxial cable from the point of distribution, or from the point that it is picked up at the exchange center, out to the school or to whatever center this educational TV is to be picked up. It is primarily an educational tool for the purposes of improving our educational techniques and educational processes and also for pro-

viding teachers in those places of a caliber that could actually conduct the educational process in a most efficient manner.

Mr. POAGE. Would you yield?

Mr. SHORT. Yes.

Mr. POAGE. I am just wondering if Mr. Short does not have the same situation in his State as we have in my State. We have many cities in west Texas where they have to set up high towers to get TV, where they carry in the programs through the coaxial cable for the town to get the programs to the individual set.

Now what you are proposing to do, as I understand it, is basically to provide the same service over a larger rural area to these places where it is not possible now because it would not be economically feasible for the individual to subscribe to the service?

Mr. RENSHAW. That is correct; that is true.

Mr. POAGE. But it would be that same type of service which is provided by these people who build these towers which are 200 and 300 feet high, and because they serve a number of people for a fee, perhaps, they are able to finance these tall structures whereas for an individual it would be something he could not undertake on his own, and so they get programs in an area from Fort Worth or Dallas that otherwise they could not get.

Mr. RENSHAW. Except that the example you give, as I understand it, might be considered public television broadcasting in which case we would not be able to finance it.

Mr. POAGE. Well, I know you will not be able to finance broadcasting.

Mr. RENSHAW. But on the other hand we would be able to finance facilities for an educational TV system which is in effect a closed circuit system out to a point—it is intended primarily for service to schools and to educational centers, not to customers like I would be here in Washington.

Mr. POAGE. I know, but the schools could not pick up these programs even if they had the instruments because they would have to build the tower, this high tower?

Mr. RENSHAW. That is right.

Mr. POAGE. Whereas these gentlemen can build one tower and use it to transmit by means of these cables which you run on the telephone line out to these schools using these tools, which I believe is the word you used, which individuals normally would not be able to pay the fee which is necessary; however, if they could, you would not have any objection to an individual if he wanted to pay for it?

Mr. RENSHAW. That is true. The studios and the teachers and the transmitting apparatus as well as the microwave stations that transmit these educational programs to vast distances, all of that is very expensive, too much so for an individual subscriber. However, I believe that in Washington there is channel 26 which you can receive by buying an adapter to your television set. But that is in a congested area. We are talking about getting this out into the rural areas.

Mr. POAGE. But out in those areas we are speaking of, even if they bought an adapter, even with the adapter they could not get signals without building a tower also?

Mr. RENSHAW. That is right.

Mr. POAGE. And so that is the idea, that these telephone systems, whether they are co-op or privately owned, will build this tower and they will serve a number of schools as their primary market?

Mr. RENSHAW. That is right.

Mr. POAGE. And I assume, or they assume that they will be serving a dozen or so, they probably will have to serve that many to justify it; would they not?

Mr. RENSHAW. That is true. I know one system in the Carolinas where they would have 45 schools in the service, scattered over an area of several exchanges.

Mr. POAGE. And the more of those that you could put on, the cheaper?

Mr. RENSHAW. That is true.

Mr. POAGE. And the private telephone companies cannot, but—well, these telephone companies that do not borrow from you, they can do that now?

Mr. RENSHAW. Yes, sir.

Mr. POAGE. But your borrowers cannot do it?

Mr. RENSHAW. That is correct; we cannot finance it.

Mr. JOHNSON of Wisconsin. Mr. Chairman.

Mr. POAGE. All right, sir.

Mr. JOHNSON of Wisconsin. Isn't it true that they can afford to transmit it to the schools because you have telephone lines available to do that, into that area?

Mr. RENSHAW. That is right. These areas are normally certificated by the State commissioners so that the telephone company serving that particular area is responsible and obligated to provide whatever telephone service is needed. And if an REA borrower has an order by a State regulatory body to supply a service that he cannot obtain financing for, then we have the predicament that we are in now.

Mr. POAGE. Mr. McIntire?

Mr. MCINTIRE. May I make a comment on that point? In New England the educational programs are on the regular channels and so all anybody has to do is to turn his set on to the regular channels on his regular set.

Mr. RENSHAW. You will have some of that but it won't be everybody because—

Mr. MCINTIRE. We have that now.

Mr. RENSHAW. Yes, sir; and you will have more and more of it. The only limitation is on the number of channels that they can get. Under the closed circuit television that we are talking about we are thinking in terms of one to four channels for each school, perhaps, but we do not now have the facilities for broadcasting to provide the number of channels we anticipate. Perhaps you might have one or two or three channels in a city over here [indicating] that may reach out and provide, say, two programs here [indicating]. But we are thinking in terms of some growth—but it is not going to be able to grow in the rural areas, at least at the present time, and it would appear to be quite expensive to provide that type of broadcast facility for nationwide distribution where everybody could pick it up; it would be almost an impossibility.

Mr. MCINTIRE. I suppose it is not true in other areas but in our case, the FCC has reserved a channel for educational television use?

Mr. RENSHAW. I believe that is true.

Mr. McINTIRE. And they can get it on a regular band.

Mr. RENSHAW. That is correct, and where you have that condition then REA will not enter into the financing of broadcast educational TV facilities.

Mr. POAGE. Also, if they are broadcast, then there will be no demand for your proposition because no one will want to pay for that.

Mr. RENSHAW. That is right. Where we have the closed circuit educational TV by land lines and point to point microwave relay radio, there will be a demand in the rural areas all over the country, not all parts of the country but numerous parts of the country where the telephone companies will be expected to provide this type of service.

Mr. SHORT. Mr. Chairman.

Mr. POAGE. Yes.

Mr. SHORT. Mr. Renshaw, we passed a bill a few days ago in the House authorizing Federal participation in educational television. This bill, as I recall, would lend assistance in the field of material being broadcast. What you are doing here is attempting to provide better facilities for bringing about the distribution of these educational TV programs—improving the distribution. Now let me ask you this. Can these cables, that have to be extended out to these schools, be installed on telephone lines?

Mr. RENSHAW. On existing poles or underground, and wherever they can be placed underground they will normally be placed underground. Where you have to add additional cable because of weight and other—

Mr. SHORT. That is the point I am getting at. Couldn't they be put on the existing telephone poles?

Mr. RENSHAW. No, not if you did not have the proper pole height and the proper pole strength and it was specifically designed so that it could be done. I dare say there will be some instances where we are only using a single coaxial cable which is about the size of my little finger, you might pole mount that. But in other instances where you have some of these cables which will be a larger size, you probably would not be able to put this on the normal type of telephone line.

Mr. SHORT. Well, let me ask you this. Mr. McIntire just mentioned these educational TV programs which were on regular channels, channels available for regular TV sets. As educational TV grows and the use of it and the need for it expands, isn't it conceivable that there are going to be channels reserved everywhere so that the kind of distribution we are discussing may not be necessary?

Mr. RENSHAW. That is true, in the cities where the FCC will reserve various frequencies, then you can actually achieve educational TV through regular broadcast methods as we now know television. But the thing we are talking about here now is not under an FCC license in order to distribute it through closed-circuit television.

In other words, these are closed circuits, so they will not interfere with anybody else anyway and nobody else will be able to tune in on them except the schools in the area that receive the particular service. So the closed circuit will not interfere with the FCC allocations of various frequencies for broadcast TV of any description.

Mr. POAGE. If you will yield—

Mr. SHORT. Yes.

Mr. POAGE. As I understand, and I am asking if you also so understand, these educational programs actually originate at a relatively few points in the United States.

Mr. RENSRAW. That is right.

Mr. POAGE. And the problem of getting them out into areas such as the Dakotas, there you will find the same thing that you run into in parts of Texas. First, there are not many points there where you could originate any such programs of this kind, is that not right?

Mr. RENSRAW. That is true.

Mr. POAGE. Whereas on the other hand in New England it may actually be developed along up in there and moved a long distance by these microwave services, and to get those into these other areas, it cannot be taken directly by the TV set that you own or I own in our house; it has to go into somebody's system such as the one that you contemplate here and be delivered by the manner you are suggesting here and then the delivery would be limited to schools, again, because of the cost and would not be made to individuals. It could be delivered to individuals but it would be too costly. And what you are trying to do is to enable these people who are out of the reach of commercial broadcast facilities to get these programs even though they are a long ways out in the country?

Mr. RENSRAW. That is a good explanation, Mr. Chairman.

Mr. MCINTIRE. Let me ask you this, sir. How far are we removed from being able to step into a TV shop and buy an all-channel set? It is my understanding that the additional cost at this time is in the neighborhood of \$35 for an adapter. In fact, not too long ago I checked for an adapter on my own set. But I am also advised that this is a development where we are about ready to move into a commercial basis, on all-channel sets and where the prices will become nominally higher, if at all, above the present cost of a set. What is your view on that?

Mr. RENSRAW. I could not answer that, Mr. Congressman. I am not too familiar with just what the status of that is at the present time.

Mr. POAGE. Well, it is true, is it not, Mr. Renshaw—and maybe I don't understand this and so I ask—that even though you have an all-channel set, when you are out beyond the periphery where broadcast reaches you, then it does not do you any good to have an all-channel set unless somebody is going to bring you those waves that you speak of, and if you are beyond the reach of those waves you were speaking of and I will take as an example, say, Charleston or Columbia, where you are going to have this system, where they can only broadcast now, say, 200 miles or they probably don't even reach 200—

Mr. RENSRAW. That is correct.

Mr. POAGE. They cannot do that without these very tall antennas and what you are doing is simply extending that reach.

Mr. RENSRAW. That is correct, getting out service from city to city with the microwave radio and then from that point, picking it up with this local distribution system. Otherwise these people would not be able to pick up that broadcast from this originating point, and you are correct, regardless of what you have, even though you do have all-channel sets, you would not be able to receive this program.

Mr. McINTIRE. That would be because all-channel sets are capable of picking up only signals from all-channel projections.

Mr. RENSHAW. That is right.

Mr. SHORT. Mr. Chairman.

Mr. POAGE. Yes, sir.

Mr. SHORT. So we get to this point, it seems to me, and I am thinking in my own area—where there is room for these broadcast facilities, and if there are people enough that can be reached so as to justify the construction of the broadcast facilities, the facilities will be built. Then it is going to become extremely expensive to extend these cables out to the schools in an area where there are no broadcast facilities—I am thinking of my own area where there are rural schools miles and miles apart where in fact we don't have telephone service. So we are thinking a long ways ahead. It seems to me that maybe in terms of cost of reaching these schools in these sparsely settled areas, that if you want to reach them, that the broader availability of channels in the broadcasting approach is going to be cheaper than thinking in terms of installing a direct cable.

Mr. RENSHAW. That may well be true in some areas and it may not be feasible in certain other areas to provide this type of service that we are talking about. On the other hand it will be feasible and perhaps the only way in other areas. And so the only way you can determine whether or not broadcast educational TV is better is to make engineering studies to determine not only the economics but also the physical characteristics involved, as to whether or not ETV cannot be accomplished better by broadcast or through closed circuit methods.

So there will be instances where educational TV, particularly around rather highly populated areas such as Bismarck or Grand Forks or Fargo, may be achieved through the broadcast method. But you might also be able to pick up a different educational TV signal, say in Bismarck or some other location, and there you are going to find a lot of the schools that are to be served there are located in communities and out in rural areas. We would have facilities in these towns which could be used along with the coaxial cables to get this service to the towns so as to serve the REA borrowers service areas. We may not be able to go out so far into the rural areas, if they are 25 or 30 miles away from these towns. They may not be able to afford the particular service which the town itself might be able to afford.

Mr. SHORT. The reason I was thinking along these lines is that there are places in my area at home where they do not have telephone service but we do have available to us TV broadcasts.

Mr. RENSHAW. That is true.

Mr. SHORT. And from two or three different points.

Mr. RENSHAW. That is right. And as I say it may be that through the combination of broadcast television, which we will not have anything to do with, and closed circuit television which we could finance under this bill, between the two of them we would get that much more of the job done.

Mr. SHORT. I am not trying to quarrel with this idea, I am just trying to get more enlightenment of what is involved.

Mr. RENSHAW. I understand. And it is a complicated thing.

Mr. POAGE. It is not complicated to this extent, that unless we do this, there will be areas in this country that will get this service and

other areas that will not get it. That is what it boils down to, isn't it?

Mr. RENSRAW. Yes, sir; that is correct.

Mr. McINTIRE. Do I understand that what is intended is that this would not be authorizing legislation that permits the tie-in of one cooperative with another to make a network of services? This really intends simply to provide the area now served with the authority to extend its service so that it will encompass these other areas, is that not correct?

Mr. RENSRAW. Well, Mr. Congressman, there will be instances where, say, we have a borrower or we have two borrowers real close together like this [indicating], and the signal is picked up in this direction [indicating] and it will be distributed here and it might conceivably be possible to extend that circuit into a number of areas, to come over into these areas of another borrower—but not a network as we would know it, but there may be some crossing over from one borrower system to another or one telephone company to another in the process of providing this service in as cheap a way as possible.

Mr. McINTIRE. And this amendment, am I correct in assuming that we are amending the bill only to broaden the basis for the eligible telephone companies?

Mr. RENSRAW. Yes, sir.

Mr. McINTIRE. It would not simply establish other groups for this particular service when they are not providing the telephone service already?

Mr. RENSRAW. That is correct.

Mr. POAGE. There would be no way under this bill whereby anybody could get loans from REA except on the basis of the need for telephone service and then if they establish the need for telephone service it could include this kind of facility in the facilities provided?

Mr. RENSRAW. I would say definitely that the normal use of this type of financing would be by telephone companies that already provided the conventional type of telephone service.

Mr. POAGE. And this would not broaden your authority.

Mr. RENSRAW. No, we would not expect any broadening of authority.

Mr. POAGE. I am not talking about your expectations. This bill does not broaden your authority, does it?

Mr. RENSRAW. No. We cannot make loans to telephone companies except those eligible under the act.

Mr. POAGE. That is right.

Any other questions?

Mr. DOLE. If I may, Mr. Chairman. Would there be some particular points where you might come in and provide educational TV in an area where you did not provide modern dial service to the detriment of the area? In other words, would you use funds to provide ETV and not have funds to provide an area with good modern dial service?

Mr. RENSRAW. If I understand your question, sir, no, sir. I cannot conceive of that because in order to serve in an area, in most States, you must have a certificate of an assigned territory. I don't believe it would be possible to go outside and provide this service without also providing the conventional telephone service.

Mr. DOLE. I mean in places where you have adequate telephone service, they made requests for this type of service, there may be areas where they don't have adequate telephone, modern telephone service—may you make a loan to them and deny a loan to the others?

Mr. RENSHAW. Under the act we are obligated to provide area coverage service and adequate service in any area where we make a loan, so I take it under this bill as well as under the existing act, our area coverage obligation would still apply.

Mr. DOLE. Have you had inquiries or have you had applications for loans?

Mr. RENSHAW. Not applications as such. We have had many inquiries as to whether REA could finance this type of facility but actually we have told them from the beginning we don't believe REA had the authority to finance this facility. Consequently there have been no actual applications filed for loans of this type.

Mr. DOLE. Have you any suggestion as to what the loans might be under this provision if you had the authority, in dollars?

Mr. RENSHAW. No, sir. We have not done that. It would be rather difficult because the program is just now beginning to develop. It is going to take some time before it reaches the point where—not many of the States have developed their educational TV programs to the extent that we have already, say, in South Carolina. We have not made studies that would indicate in any way or to estimate the impact in terms of dollars.

I do not feel that for the next few years it would amount to a great deal because it is going to take time for these programs to get established. But it is coming. In the next 7 to 10 years, there will be a lot of educational TV and a lot of it will be through the broadcast method, which we will not be involved with, and also a lot through closed circuit, which we will get involved in to the extent that our borrowers are asked to provide this service.

We have 771 borrowers at the present time. Not all of them will be called upon to provide this service, perhaps, in the foreseeable future many of them will be.

Mr. POAGE. Any other questions?

Mr. MCINTIRE. Mr. Renshaw, I am going to refer you to the bill, to line 7. Coming back to the colloquy we had a few minutes ago, I would like to comment that the bill says there that the act is to be amended by striking out subsection (a) and putting in the following, a new paragraph (a) :

As used in this subchapter, the term "telephone service" shall be deemed to mean any communication service * * * and shall include all telephone lines, facilities—

and so forth.

Now, we were raising the point that loans would be made only to those private companies and cooperatives who were engaged in the telephone business. But this language would permit lending funds, would permit initial loans to be made for other services, rather than just for the improvement or the expansion of the telephone service?

Mr. RENSHAW. I believe it would, but I would like to ask—

Mr. POAGE. Except, if I may interrupt, that under the present law you can make the loan under certain restrictions and—

Mr. RENSILAW. Mr. Congressman, I don't know whether your question was predicated on the fact that service was already there or not there. But you had in mind, perhaps—suppose we had 45 schools in an area that wants ETV. Would your question be whether another company could organize and get a loan just to provide ETV facilities along with this other company that was providing conventional telephone service? I believe the answer would be no in the instances where the Commission had already awarded a certificate, say, to the first telephone company that was already in there. It would not be possible without the Commission finding that it was in the public interest for a second company to organize and obtain a loan.

I don't believe that you would have a condition like that prevailing.

Mr. POAGE. Well, I cannot see how you could ever possibly find anyone establishing a telephone company, private or cooperative, simply to render this service. Where would there be any profit, if that is the only business it is to be in? The cost would be out of proportion to the income; isn't that correct?

Mr. RENSILAW. I agree with that, Mr. Chairman.

Mr. McINTIRE. Well, the point I was trying to develop was that this language does not restrict you to simply making supplemental loans to someone already in business but would permit your making an initial loan to a company other than one already in the telephone business. Do you feel that it would permit your making that loan only to a company already in the telephone business, is that the way you feel it would be?

Mr. RENSILAW. Yes, sir.

Mr. POAGE. Any other questions?

Mr. GATHINGS. Thank you, Mr. Chairman. The chairman was the author of legislation that created the REA telephone law—you are aware of that.

Mr. RENSILAW. Yes, sir.

Mr. GATHINGS. Your statement was that out in these rural areas that had not received any service theretofore, and the REA telephone service is made available to them, you say that there were three quarters of a million rural subscribers that receive improved service.

Mr. RENSILAW. Yes, sir.

Mr. GATHINGS. What do you mean, improved service?

Mr. RENSILAW. Many of these that we made loans to, operated the manual exchanges, the crank-type telephone that you perhaps know of; and also the common battery-type service. We did not consider that really good telephone service and so when we make the loans to those companies and they convert to modern dial service, we say we have improved the service to 876,000 subscribers.

Mr. GATHINGS. To about as many as who had not received it?

Mr. RENSILAW. That is correct, sir.

Mr. GATHINGS. Now, you have a little better situation here than you have on the REA electric lines where you run into the argument from the private utilities that so many of these REA projects are trying to duplicate lines and setting up competitive systems where there is an existing electrical line or transmission line available. You do not have a situation like that here?

Mr. RENSILAW. Mr. Congressman, our act says specifically we are not permitted to lend funds to duplicate facilities now providing

reasonably adequate service, and we are further restricted by commissions in those States that will not permit service in an area already served. So it is pretty much a doublebarreled restriction, both Federal and State jurisdictions.

Mr. POAGE. There is also inherent in the providing of telephone service the fact that any telephone system must have long-distance connections. It is true that there used to be some systems where you could only talk to the people on that line, you could not talk to anybody except within that district, rather. But, to be worthwhile, they have got to have long-distance facilities available, so that they find that they have to make contracts with the Bell Telephone System because nobody else can provide such a setup for long distance, and I don't think that any of these smaller companies can hope to do that, they always have got to contract with Bell Telephone?

Mr. RENSCHAW. That is correct.

Mr. GATHINGS. Mr. Chairman, you introduced this bill on March 3 and there was notice of this meeting in advance. There as no telephone companies represented here that I know of—I don't know that gentleman over there. If there are any, they may want to testify.

Mr. POAGE. I understood the telephone companies had no objection to this.

Mr. McINTIRE. Off the record.

(Discussion off the record.)

Mr. HEIMBURGER. Mr. Chairman, may I ask a question?

Mr. POAGE. Yes.

Mr. HEIMBURGER. The language here is not quite clear to me in view of the discussion. There appears to be in the language of the bill no distinction between educational TV and commercial TV. Is there distinction between two types of transmission, rather than subject matter? In other words, this would authorize loans for any type of closed circuit transmission; would it not?

Mr. RENSCHAW. Yes.

Mr. HEIMBURGER. Any type?

Mr. RENSCHAW. Any kind of closed circuit television. The language is broad enough to include other types of transmission, but it all is intended to permit an REA borrower to provide the same type of telephone service that other telephone companies provide including educational TV, teletypewriter, facsimile transmission, data transmission, and telephotography.

Mr. HEIMBURGER. And it could be done either by wire or radio, could it not?

Mr. RENSCHAW. Yes——

Mr. HEIMBURGER. By closed circuit?

Mr. RENSCHAW. Yes.

Mr. HEIMBURGER. Actually the only thing that is prohibited here in this whole field is loans to telegraph service or broadcasting services; is that correct?

Mr. RENSCHAW. Yes.

Mr. HEIMBURGER. Wouldn't it be possible for you to make a loan to a company which wanted to set up one of these commercial television local services such as this in areas beyond the normal range of television stations, where you have a company which puts up a tower and runs cables out to the homes of subscribers and does it on a fee basis?

Mr. RENSCHAW. Only if it were closed circuit television.

Mr. HEIMBURGER. Yes.

Mr. RENSHAW. Not the normal broadcasting. You have that same type of service provided on a broadcasting basis or you get the service off of an antenna that may pick up that service from a city and distribute it among the people in a town. I would like Mr. Gorrin to answer that question, whether or not a separate company might not be established to do the thing you are talking about here on ETV.

Mr. GORRIN. I would think that the area coverage requirement of the act might make that legally questionable. I mean——

Mr. HEIMBURGER. It might make it impractical but it does not make it illegal.

Mr. GORRIN. Well, in connection with every loan there is the requirement that the Administrator find that this is within area coverage. It is a little difficult for me to see, for example, if you wanted to broadcast a prizefight over closed circuit, that that is part of an area coverage program.

Mr. HEIMBURGER. Your area coverage would not have to be coextensive with the area covered by a telephone company in the vicinity; would it?

Mr. GORRIN. Well, whatever area coverage means, it is within a particular set of circumstances, the widest practical providing of services——

Mr. HEIMBURGER. The point I am trying to make, and I hope it is not an immaterial point: Doesn't this seem to you, as it seems to me, that this is a definition of telephone service—I mean the proposed bill has a new definition of telephone service and any of these various activities would constitute telephone service. It seems to me the legal meaning can be read, "The term 'telephone service' shall mean any communication service for the transmission of pictures through the use of electricity by transmitting and receiving apparatus"?

Mr. GORRIN. Well, it would have to be in compliance with all of the other requirements.

Mr. HEIMBURGER. Yes, I understand that. But as far as the legal interpretation of this definition is concerned, a loan could be made, and this is just what I am trying to get at: Couldn't a loan be made under the legal situation, not the practical situation, to a company which puts up one of these towers and then relays by means of wires or coaxial cables, the commercial television reception to subscribers throughout the area?

Mr. GORRIN. If all the other requirements of the act are met—feasibility, security, no duplication, certification——

Mr. POAGE. I beg your pardon, but does not the present law specifically prohibit a transmission of commercial TV or telegraph services?

Mr. GORRIN. That is true.

Mr. POAGE. And that is not repealed by this provision?

Mr. GORRIN. That is true.

Mr. POAGE. So from a legal standpoint you could not do it?

Mr. GORRIN. Well, I thought Mr. Heimburger was talking about a commercial closed circuit operation.

Mr. HEIMBURGER. That is what I was referring to, Mr. Chairman, where transmission is by means of wire, not broadcast. The only thing prohibited, as far as I can see from the language, is the broad-

cast. If it is a closed circuit proposition where the commercial broadcasters receive from a city 200 or 300 miles away a program and then put it on wires or coaxial cables, this would not be broadcasting and would not come under the jurisdiction of the FCC.

Mr. GORRIN. That is right.

Mr. HELMBURGER. And I think that is perfectly legitimate, but I wanted to go into the language here.

Mr. GORRIN. I think that is right, but providing all the other requirements are met.

Mr. GATHINGS. On this closed circuit, the children could have all of their subjects that they are studying on the TV and then if there was a prizefight it could be tuned in on that closed circuit and they could have a little fun during recess: is that it? [Laughter.]

Mr. POAGE. Is there anyone else who has questions?

(No response.)

Mr. POAGE. Well, thank you very much.

Mr. RENSHAW. Thank you, Mr. Chairman, for the opportunity to appear here.

Mr. POAGE. No one else wants to be heard, so that will be all.

(Whereupon, at 3:45 p.m., the subcommittee adjourned.)



LEGISLATIVE HISTORY

Public Law 87-494
H. R. 10374

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Index and summary of H. R. 103741
Digest of Public Law 87-4942

INDEX AND SUMMARY OF H. R. 10374

Feb. 2, 1962	Sen. Ellender introduced S. 2788 which was referred to the Senate Agriculture and Forestry Committee. Print of bill.
Feb. 26, 1962	Rep. Cooley introduced H. R. 10374 which was referred to the House Agriculture Committee. Print of bill as introduced.
Mar. 19, 1962	House subcommittee voted to report H. R. 10374 to the full committee.
Mar. 22, 1962	House committee voted to report (but did not actually report) H. R. 10374.
Apr. 19, 1962	House committee reported H. R. 10374 without amendment. H. Report No. 1633. Print of bill and report.
May 7, 1962	House passed H. R. 10374 without amendment.
May 8, 1962	H. R. 10374 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
June 6, 1962	Senate committee voted to report (but did not actually report) H. R. 10374.
June 7, 1962	Senate committee reported H. R. 10374 without amendment. S. Report No. 1572. Print of bill and report.
June 15, 1962	Senate passed H. R. 10374 without amendment.
June 25, 1962	Approved: Public Law 87-494.

DIGEST OF PUBLIC LAW 87-494

REDUCTION IN REVOLVING FUND FOR BANKS FOR COOPERATIVES.
Amends Sec. 6 of the Agricultural Marketing Act so as to reduce the revolving fund available to the farm Credit Administration for subscriptions to the capital stock of the banks for cooperatives to \$150 million (from the current level of about \$186 million).

IN THE SENATE OF THE UNITED STATES

FEBRUARY 2, 1962

Mr. ELLENDER introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 6 of the Agricultural Marketing Act, as amend-
4 ed (12 U.S.C. 1141d), is amended by adding the following
5 sentence at the end thereof: "Effective upon enactment of
6 this sentence the sum authorized to be appropriated for the
7 aforesaid revolving fund is reduced from \$500,000,000 to
8 \$150,000,000 and any amount in said fund in excess of
9 \$150,000,000 (including any amount thereof used to pur-
10 chase capital stock in the central and regional banks for
11 cooperatives) shall be credited to miscellaneous receipts of
12 the Treasury."

A BILL

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

By Mr. ELLENDER

FEBRUARY 2, 1962

Read twice and referred to the Committee on
Agriculture and Forestry

87TH CONGRESS
2^D SESSION

H. R. 10374

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 6 of the Agricultural Marketing Act, as amended
4 (12 U.S.C. 1141d), is amended by adding the following
5 sentence at the end thereof: "Effective upon enactment of
6 this sentence the sum authorized to be appropriated for the
7 aforesaid revolving fund is reduced from \$500,000,000 to
8 \$150,000,000 and any amount in said fund in excess of
9 \$150,000,000 (including any amount thereof used to pur-
10 chase capital stock in the central and regional banks for

A BILL

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

By Mr. COOLEY

FEBRUARY 26, 1962

Referred to the Committee on Agriculture

1 cooperatives) shall be credited to miscellaneous receipts of
2 the Treasury.”

15. PERSONNEL; CLAIMS. Passed without amendment H. R. 10357, to provide for the settlement of claims against the U. S. by members of the uniformed services and civilian employees for damage to, or loss of, personal property incident to their service. pp. 4044-6
16. LANDS. Passed as reported H. R. 9097, to authorize the Secretary of the Interior to sell certain public lands in Idaho (p. 4046). Rep. Harding favorably discussed this bill. pp. 4102-3
17. BRIDGES. Passed without amendment H. R. 8982, authorizing a bridge across the Rio Grande at or near Heath Crossing, Tex. p. 4047
Passed without amendment H. R. 9883, to authorize a toll bridge across the Rio Grande near Los Indios, Tex. pp. 4047-8
18. PERISHABLE COMMODITIES. The Subcommittee on Domestic Marketing of the Agriculture Committee voted to report to the full committee with amendments S. 1037, to amend the provisions of the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing of persons under the Act. p. D187
19. CONSERVATION. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee H. R. 9290, to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act so as to make Federal administration of the ACP permanent. p. D187
20. COOPERATIVES. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee H. R. 10374, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives. p. D187
21. ELECTRIFICATION. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee H. R. 10708, to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity. p. D187
22. APPROPRIATIONS. Received from the President supplemental appropriation estimates for 1962 of \$25 million for disaster relief and \$10 million for the Small Business Administration (H. Doc. 365). p. 4106
23. SOIL BANK. Received from Agriculture a report on the 1961 conservation reserve program. p. 4106
24. SUGAR. Rep. Harding said "one of the most important pieces of farm legislation which will be considered by this Congress is the revision and extension of the Sugar Act," and inserted a legislative program of the domestic sugar industry and a letter to the President. pp. 4101-2
25. TEXTILES. Rep. Alexander discussed H. R. 9900, the proposed Trade Expansion Act of 1962, and inserted an article, "Lack of Proper Import Quotas Hurts the American Textile Workers." pp. 4077-8
26. TRADE; ADMINISTRATIVE PROCEDURE. Rep. Scherer criticized the Federal Trade Commission's investigation of Kroger Co., and urged an investigation of administrative agency procedures. pp. 4075-7

ITEMS IN APPENDIX

27. FARM PROGRAM. Rep. Findley inserted an editorial, "Imitation Hams or Imitation Dollars?", stating that the court threw out an order by Secretary Freeman "against the meatpackers." pp. A2057-8
Extension of remarks of Rep. Westland stating "American farmers want the Government to get out of their business," and inserting a constituent's letter critical of the farm bill. p. A2047
28. SOIL CONSERVATION; RESEARCH. Extension of remarks of Sen. Wiley inserting resolutions of the Wisc. Assoc. of Soil and Water Conservation District Supervisors recommending an "adequate appropriation for the Agricultural Research Service in the field of soil and water conservation" and that all "longtime farm and ranch plans, as proposed in bill H. R. 10010 ... be carried out through the medium of soil and water conservation districts." pp. A2047-8
Rep. Younger inserted an article critical of the Soil Conservation Service, "This Bureau Conserves Its Money To Build a Bureau." p. A2056
29. RECREATION. Sen. Anderson inserted an address by M. Frederik Smith, a member of the Outdoor Recreation Resources Review Commission, "A Short Look Behind the Recreation Report." pp. A2049-52
Rep. Westland inserted a letter opposing the expansion of Federal activities in the field of recreation. p. A2058
30. WATER POLLUTION. Extension of remarks of Rep. Schwengel expressing concern over water pollution problems and inserting an article on this subject. pp. A2064-5
31. ELECTRIFICATION. Extension of remarks of Rep. Van Zandt inserting his recent address outlining the background of REA and explaining the role of atomic energy in the field of electrification. pp. A2065-6
32. DAIRY INDUSTRY. Extension of remarks of Rep. Quie inserting an article, "Politics and Supports," discussing effects of the rejection by the House Agriculture Committee of a resolution which would have frozen the price supports of milk at the present level. p. A2067
Extension of remarks of Reps. Quie and Nelsen inserting two Minn. Holstein Breeders Convention resolutions and stating that they "voice the opposition" of people in the dairying industry to the system of dairy quotas proposed by the administration. pp. A2071, A2079
33. HEALTH. Extension of remarks of Rep. Farbstein expressing his approval of H. R. 10606, to extend and improve the public assistance and child welfare service programs of the Social Security Act. p. A2082
34. MEAT INSPECTION. Extension of remarks of Rep. Sullivan explaining the provisions of her proposed bill to amend the Meat Inspection Act to extend its coverage in certain areas. pp. A2084-5

BILLS INTRODUCED

35. EDUCATION. H. R. 10807, by Rep. Mathias, making supplemental appropriations for the fiscal year ending June 30, 1962, for payments to local educational agencies under Public Laws 815 and 874, 81st Congress.

Eligible bills not considered:

Passed over without prejudice: H.R. 2049, 6759, 8962, and 9822.

Objected to and stricken from calendar: H.R. 8914.

Pages 4043-4047

Program for Tuesday: Adjourned at 2:58 p.m. until Tuesday, March 20, at 12 o'clock noon, when the House will call the Private Calendar and consider H.R. 10802, making appropriations for the Department of the Interior and related agencies for fiscal year 1963.

Committee Meetings**LIVESTOCK—FEED GRAINS**

Committee on Agriculture: Subcommittee on Livestock and Feed Grains, in executive session, ordered reported favorably to the full committee S. 860 (amended), to provide greater protection against the introduction and dissemination of diseases of livestock and poultry.

Prior to taking executive action the subcommittee held an open hearing on S. 860 and H.R. 3693 (a similar bill); H.R. 9886, to permit under certain circumstances flaxseed to be raised on acreage diverted from the production of wheat; H.R. 10214, to define the term "person" or "producers" under the 1962 wheat and feed grain programs; H.R. 10330, to amend the Agricultural Act of 1961.

Testimony was given by Representative Wright (H.R. 3693); and Department of Agriculture officials (all the bills).

PERISHABLE AGRICULTURAL COMMODITIES

Committee on Agriculture: Subcommittee on Domestic Marketing, in executive session, ordered reported favorably to the full committee S. 1037 (amended), relating to practices in the marketing of perishable agricultural commodities.

CONSERVATION—CREDIT

Committee on Agriculture: The Subcommittee on Conservation and Credit, in executive session, ordered reported favorably to the full committee H.R. 946 (amended), to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen; H.R. 9290, to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act; H.R. 10374, to reduce the revolving fund available for subscriptions to the capital stock of the banks for co-operatives; and H.R. 10708, regarding communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity.

Prior to taking action on the bills the subcommittee held an open hearing, and heard testimony from Representative Downing (H.R. 946); and departmental witnesses (all four bills).

The subcommittee also approved four watershed projects: Gum Neck, N.C.; Pine Creek, Tenn.; Leon River, Tex.; Wagon Creek, Okla.

FOREIGN AID

Committee on Foreign Affairs: The committee, in executive session, continued hearings on the Foreign Assistance Act of 1962. Witnesses heard were Howard R. Cottam, Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs; Adm. H. D. Felt, USN, commander in chief, Pacific; and Department of Defense officials. The committee will continue on this subject, in executive session, Tuesday, March 20.

HOME LOAN BANK BOARD

Committee on Government Operations: Special Subcommittee on the Home Loan Bank Board continued hearings on the activities of the board relating to the First Federal Savings & Loan Association, Clovis, N. Mex., and heard testimony from Federal Home Loan Bank Board officials. Hearings continue Tuesday, March 20.

INDIAN AFFAIRS

Committee on Interior and Insular Affairs: The Subcommittee on Indian Affairs held a hearing on H.R. 6299, to authorize leases and grants of rights-of-way on Indian lands in the State of New York; and H.R. 3529 and H.R. 5585, similar bills, regarding the harvesting and sale of Indian timber. Heard testimony from Representative Olsen (H.R. 5585); public witnesses (H.R. 6299); and departmental witnesses (H.R. 3529).

CORRECTION—JUDICIARY PROGRAM

Committee on the Judiciary: The DIGEST inadvertently announced in the program for this week that Subcommittee No. 1 would hold hearings, Wednesday, March 21, on H.R. 935. Hearings will be held on H.R. 9351, to authorize the issuance of certificates of citizenship in the Canal Zone.

NASA AUTHORIZATION

Committee on Science and Astronautics: Subcommittee No. 3 resumed consideration of the space sciences section of H.R. 10100, the National Aeronautics and Space Administration appropriation authorization bill. Testimony was given by NASA officials. Hearings continue Tuesday, March 20.

VETERANS' AFFAIRS

Committee on Veterans' Affairs: Met in executive session and ordered reported favorably to the House the following bills:

H.R. 8992, relating to the Department of Medicine and Surgery in the Veterans' Administration;

H.R. 9561 (amended) to authorize the furnishing abroad of hospital care and medical services for wartime service-connected disabilities;

H.R. 10069 (amended), relating to prosthetic research in the Veterans' Administration;

H.R. 10068 (amended), to permit veterans attaining the age of 65 who hold U.S. Government life insurance to exchange such insurance for a policy providing death protection only with reduced premiums;

H.R. 10669 (amended), relating to the assignment of national service life insurance;

H.R. 3728 (amended), to assign a total rating for compensation to a veteran granted service connection for blindness of one eye who subsequent to separation from active duty incurs blindness in the remaining eye;

H.R. 4012, to provide assistance in acquiring specially adapted housing for certain blind veterans who have suffered the loss or loss of use of a lower extremity;

H.R. 4901, regarding burial allowances paid in cases where discharges were changed by competent authority after death of the veteran from dishonorable to conditions other than dishonorable;

H.R. 5234 (amended), to provide for the restoration of certain widows and children to the rolls upon annulment of their marriages or remarriages;

H.R. 8282 (amended), to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 8415, to change the classes of persons eligible to receive payments of benefits withheld during the life-

time of deceased veterans while being furnished hospital or domiciliary care;

H.R. 10066, to provide additional compensation for veterans suffering the loss or loss of use of both vocal cords, with resulting complete aphonia;

H.R. 10743, to provide increases in rates of disability compensation;

H.R. 1811 (amended), relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 8802, to provide for waiver of indebtedness to the U.S. in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration;

H.R. 852 (amended), to establish medical advisory panels to resolve conflicts of evidence in questions involving service connection of disabilities or deaths; and

H.R. 857 (amended), to require that cases appealed to the Board of Veterans' Appeals contain a brief statement of the facts of the case, a citation and application of the law, and the recommendations of the office from which the appeal is taken.

TRADE EXPANSION ACT

Committee on Ways and Means: The committee continued hearings on H.R. 9900, the Trade Expansion Act of 1962, and heard testimony from public witnesses. Hearings continue Tuesday, March 20.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D179, March 15, 1962)

S. 201, to donate to the Zuni Tribe approximately 610 acres of federally owned land. Signed March 16, 1962 (P.L. 87-416).

S. 1299, relative to conveyance of certain school properties to local school districts or public agencies. Signed March 16, 1962 (P.L. 87-417).

H.R. 7855, granting consent of Congress to amend the compact between Louisiana and Texas concerning the waters of the Sabine River. Signed March 16, 1962 (P.L. 87-418).

S. 2774, providing for appointment of acting secretaries for the governments of Guam and the Virgin Islands under certain conditions. Signed March 16, 1962 (P.L. 87-419).

Committee on Foreign Relations, to receive testimony on the activities of the Development and Resources Corporation in Iran, 10:30 a.m., 4221 New Senate Office Building.

Committee on the Judiciary, Antitrust and Monopoly Subcommittee, to resume its hearings on packaging and labeling practices, 10 a.m., 457 Old Senate Office Building.

Constitutional Rights Subcommittee, on S. 2750 and S. 480, relating to literacy requirements for voting standards, 10 a.m., 2228 New Senate Office Building.

Committee on Post Office and Civil Service, open, followed by executive, on the nomination of Sidney Bishop, to be an Assistant Postmaster General, 10 a.m., 6202 New Senate Office Building.

To resume its hearings on Government employees pay legislation, 10:30 a.m., 6202 New Senate Office Building.

House

Committee on Agriculture, Subcommittee on Livestock and Feed Grains, executive, on feed grain section of H.R. 10010, the general farm bill, 10 a.m., 1310 New House Office Building.

Subcommittee on Wheat, executive, on the wheat section of H.R. 10010, general farm bill, 10:30 a.m., 100-A George Washington Inn.

Committee on Appropriations, Subcommittee on Defense, executive, 10 a.m., F-16 U.S. Capitol Building.

Subcommittee on Deficiencies, executive, 10 a.m., F-2 U.S. Capitol Building.

Subcommittee on Agriculture, executive, 1 p.m., 311, east front, U.S. Capitol Building.

Subcommittee on State-Justice-Commerce-Judiciary, executive, 1:45 p.m., 323, east front, U.S. Capitol Building.

Committee on Armed Services, on H.R. 10202, the military construction bill, 10 a.m., 313-A Old House Office Building.

COMMITTEE MEETINGS FOR TUESDAY, MARCH 20

(All meetings are open unless otherwise designated)

Senate

Committee on Commerce, open, followed by executive, on the nomination of Dr. Irvin Stewart, to be Assistant Director, Office of Emergency Planning, 10 a.m., 5110 New Senate Office Building.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued March 23, 1962
For actions of March 22, 1962
87th-2d, No. 43

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HIGHLIGHTS: House passed bill to permit summer fallow lands to participate in feed grains program. House Rules Committee cleared tax bill. House committee voted to report Youth Conservation Corps bill. House committee voted to report bill for import-export controls on nonparticipants in multilateral cotton textile agreements. Sen. Muskie and Reps. Cooley and McIntire introduced and Sen. Muskie and Rep. McIntire discussed bills to provide supply management program for potatoes.

HOUSE

- 1. FEED GRAINS.** Passed without amendment S. 2533, to permit farmers in summer fallow areas to receive barley, corn, and grain sorghum price support and to participate in the corn and grain sorghum diversion program provided they reduce their corn and grain sorghum acreage to the extent necessary to bring their acreage of corn, grain sorghum, and barley down to not more than 80 percent of the 1959-60 average of those three crops. This bill will now be sent to the President. A similar bill, H. R. 8914, was laid on the table. pp. 4372-81
- 2. LIVESTOCK DISEASES.** The Agriculture Committee voted to report (but did not actually report) with amendments S. 860, to grant the Secretary of Agriculture additional authority to provide greater protection against the introduction and dissemination of diseases of livestock and poultry. p. D200
- 3. PERISHABLE COMMODITIES.** The Agriculture Committee voted to report (but did not actually report) with amendments S. 1037, to amend the provisions of the

Perishable Agricultural Commodities Act retarding fees, oral hearings, and re-licensing of persons under the Act. p. D200

4. LOANS. The Agriculture Committee voted to report (but did not actually report) with amendments H. R. 946, to extend to oyster planters the benefits of the provisions of present law which provide for production disaster loans for farmers and stockmen. p. D200
5. COOPERATIVES. The Agriculture Committee voted to report (but did not actually report) H. R. 10374, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives. p. D200
6. ELECTRIFICATION. The Agriculture Committee voted to report (but did not actually report) H. R. 10708, to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity. p. D200
7. FOREIGN TRADE. The Agriculture Committee voted to report (but did not actually report) H. R. 10788, to amend section 204 of the Agricultural Act of 1956 to authorize the President to extend import-export controls to non-participants in multilateral cotton textile agreements. p. D200
8. CONSERVATION. The Committee on Education and Labor voted to report (but did not actually report) H. R. 10682, to authorize the establishment of a Youth Conservation Corps. p. D201
9. EDUCATION. The "Daily Digest" states that the Education and Labor Committee "ordered introduced in the House in lieu of H. R. 10390, the Adult Basic Education Act of 1962 (clean bill -- H. R. 10860)." p. D201
10. PUBLIC WORKS. Subcommittee No. 4 of the Judiciary Committee voted to report to the full committee with amendments H. J. Res. 464, to provide for the designation of the week commencing October 1, 1961, as "National Public Works Week." p. D201
11. HONEYBEES. The Agriculture Committee reported without amendment H. R. 8050, to prohibit the importation of all honeybees of the genus *Apis* in the adult stage except for research purposes by this Department or as the Secretary shall determine (H. Rept. 1477). p. 4392
12. TAXATION; COOPERATIVES. The Rules Committee reported a resolution for the consideration of H. R. 10650, the proposed Revenue Act of 1962, including revision in tax provisions relative to cooperatives (see Digest 38 for items of interest). p. 4393
13. BANKING. The Banking and Currency Committee reported without amendment H. R. 10162, to amend the Bretton Woods Agreements Act to authorize the U. S. to participate in loans to the International Monetary Fund to strengthen the international monetary system (H. Rept. 1484). p. 4393
14. APPROPRIATIONS. The Appropriations Committee was granted until midnight tonight Mar. 23, to file a report on the Labor, HEW and related agencies appropriation bill for 1963. p. 4371
15. RETIREMENT. Rep. Olsen discussed his bill H. R. 10706, to amend the Civil Service Retirement Act so as to provide for increases in annuities, eliminate

Daily Digest

HIGHLIGHTS

Feed grain program participation bill passed by House

Senate

Chamber Action

Routine Proceedings, pages 4452-4476

Bills Introduced: 10 bills were introduced, as follows:
S. 3050-3059. Page 4463

Bills Referred: Three House-passed bills were referred to appropriate committees. Page 4424

Indians: Conference report was adopted on H.R. 4130, to lessen the impact of termination of Federal services to the Menominee Indian Tribe of Wisconsin. This action cleared the bill for the White House. Page 4409

Aviation: The following additional conferees were appointed to serve on the committee of conference on S. 1969, to amend the Federal Aviation Act so as to provide for supplemental air carriers: Senators Magnuson, Engle, and Scott. Page 4409

Hamilton Memorial—Poll Tax: Senate continued debate on Mansfield motion to proceed to consideration of S.J. Res 29, to establish Alexander Hamilton's home as a national memorial. It has been announced that after Senate agrees to take up the bill Senator Holland will offer an amendment as a substitute, proposing a constitutional amendment relating to payment of poll tax. Pages 4395-4409, 4411-4423, 4431-4444, 4447-4452

Program for Friday: Senate met at 9 a.m., and recessed at 7:36 p.m. until 9 a.m. Friday, March 23, when it will continue on motion to consider S.J. Res. 29, Alexander Hamilton memorial. Pages 4394, 4476

Committee Meetings

(Committees not listed/did not meet)

POSTAL RATES

Committee on Post Office and Civil Service: Committee resumed its hearings on H.R. 7927, proposed Postal Revision Act of 1962, receiving testimony from Bernard E. Esters, National Editorial Association; Maurice K. Henry, Kentucky Press Association; G. Richard Dew, Pennsylvania Newspaper Publishers' Association; William E. Branen, Wisconsin Press Association; R. E. Fisher and Phil Fourney, both of the West Virginia Press Association, all of whom were accompanied by Theodore A. Serrill, executive vice president, National Editorial Association; and Zoltan Gombos, editor and publisher, Hungarian Daily Szabadsag, Cleveland, who was introduced by Senator Lausche. Also participating in today's hearings was Senator Cooper.

Hearings continue on Tuesday, March 27.

House of Representatives

Chamber Action

Bills Introduced: 13 public bills, H.R. 10884-10896; 7 private bills, H.R. 10897-10903; and 3 resolutions, H. Res. 574-576, were introduced. Page 4393

Bills Reported: Reports were filed as follows:

H.R. 8050, relating to importation of honey bees (H. Rept. 1477);

Twelfth report of the Committee on Government Operations entitled "Cuba's Expropriation of U.S.-Owned Nickel Plant at Nicaro, Cuba" (H. Rept. 1478);

H.R. 10098, authorizing the exchange of certain lands at Antietam National Battlefield Site (H. Rept. 1479);

H.R. 9805, changing the name of Whitman National Monument to Whitman Mission National Site (H. Rept. 1480);

H.R. 10573, a private bill (H. Rept. 1481);

H. Res. 575, open rule providing for the consideration of and 1 hour of debate on H.R. 4441, to provide an ex gratia payment to the city of New York to assist in defraying expenses of 15th General Assembly of the United Nations (H. Rept. 1482); and

H. Res. 576, closed rule providing for the consideration of, 8 hours of debate on, and the waiving of points of order against, H.R. 10650, to amend the Internal Revenue Code of 1954 to provide a credit for investment

in certain depreciable property and to eliminate certain defects and inequities (H. Rept. 1483). **Pages 4392-4393**

Late Reports: Permission to file reports by midnight Friday was granted to the Committee on Appropriations on a bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies; and the Committee on Government Operations on sundry bills.

Similar permission to file reports by midnight Saturday was granted the Committee on Interstate and Foreign Commerce on H.R. 4999, to increase the opportunities for training of physicians, dentists, and professional public health personnel; Committee on Banking and Currency on H.R. 10162, to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system; and the Committee on Rules to file sundry reports. **Pages 4371, 4372, 4384, 4388**

D.C. Unemployment Compensation: House adopted the conference report on H.R. 5968, to amend the D.C. Unemployment Compensation Act, as amended, and thus cleared the legislation for Presidential action. **Page 4371**

Air Carriers—Supplemental: The Speaker today appointed Representatives Jarman and Devine as additional conferees on S. 1969, to provide for supplemental air carriers. **Page 4372**

Feed Grain Program: By a voice vote the House passed S. 2533, to amend the Soil Conservation and Domestic Allotment Act relative to 1962 feed grain program eligibility, without amendment, and thus cleared the legislation for Presidential consideration.

H. Res. 572, the open rule under which the bill was considered had been adopted earlier by a voice vote. **Pages 4372-4381**

Duty-Free Steel Imports: By a voice vote the House passed H.R. 9778, to provide for the free entry of certain steel and steel products donated for an addition to the Chippewa County War Memorial Hospital, Sault Sainte Marie, Mich. **Page 4381**

Legislative Program: The legislative program for the week of March 26-31 was announced by the majority leader. **Pages 4386-4387**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of March 28 and April 4. **Page 4387**

Program for Monday: Adjourned at 1:33 p.m. until Monday, March 26, at 12 o'clock noon when the House will consider D.C. legislation with one bill scheduled for consideration as follows: H.R. 10573, a private bill to grant the American Numismatic Association perpetual succession.

Committee Meetings

AGRICULTURAL MISCELLANY

Committee on Agriculture: Met in executive session and ordered reported favorably to the House the following bills:

~~S. 860 (amended), to provide greater protection against the introduction and dissemination of diseases of livestock and poultry;~~

~~S. 1037 (amended), to amend the Perishable Agricultural Commodities Act to authorize increases in license fees and give the Secretary of Agriculture more discretionary authority with respect to licensing thereunder;~~

~~H.R. 946 (amended), to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen;~~

H.R. 10374, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives;

H.R. 10708, regarding communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity; and

H.R. 10788, to amend section 204 of the Agricultural Act of 1956.

Also approved the following watershed projects: Gum Neck, N.C.; Pine Creek, Tenn.; Leon River, Tex., and Wagon Creek, Okla.

AGRICULTURAL ACT

Committee on Agriculture: Held a hearing on H.R. 10788, to amend section 204 of the Agricultural Act of 1956 (multilateral agreements—cotton textiles). Heard testimony from Hickman Price, Jr., Assistant Secretary for Domestic Affairs, Department of Agriculture, and other departmental witnesses; also various public witnesses.

WHEAT

Committee on Agriculture: Subcommittee on Wheat met in executive session on the wheat section of H.R. 10010, the general farm bill.

MILITARY CONSTRUCTION

Committee on Armed Services: Continued hearings on H.R. 10202, to authorize certain construction at military installations, and heard testimony from departmental witnesses. Hearings continue Friday, March 23.

SOLE SOURCE PROCUREMENT

Committee on Armed Services: Subcommittee for Special Investigations met in executive session on sole source procurement. Adjourned subject to call of the Chair.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 20, 1962
For actions of April 19, 1962
87th-2d, No. 61

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HIGHLIGHTS: Sen. Williams, Del., discussed proposal to investigate acreage allotment and storage programs. Sen. Williams, Del., protested importation of eggs from Poland. Sen. Humphrey urged establishment of crop quality laboratory in Minn. House committee reported resolution on reorganization plan to create office of science and technology. House committee reported bill to permit planting of additional nonsurplus crops on diverted acreage.

HOUSE

- 1. ACREAGE ALLOTMENTS.** The Agriculture Committee reported without amendment H. R. 11413, to amend the Agricultural Act of 1961 to permit the planting of additional nonsurplus crops on diverted acreage (H. Rept. 1634). p. 6554
- 2. COOPERATIVES; FARM CREDIT.** The Agriculture Committee reported without amendment H. R. 10374, to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives (H. Rept. 1633). p. 6554
- 3. SEED IMPORTS.** The Agriculture Committee reported without amendment H. R. 5546, to amend the Federal Seed Act, as amended, with respect to the importation of screenings of seed (H. Rept. 1632). p. 6554

4. FORESTRY; LANDS. The Agriculture Committee reported without amendment H. R. 8434, to authorize the Secretary of Agriculture to sell and convey a certain parcel of forest land to the city of Mount Shasta, Calif. (H. Rept. 1631). p. 6554
5. DAIRY; REPORTS. The Agriculture Committee reported without amendment H. R. 4083, to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products (H. Rept. 1630). p. 6554
6. ORGANIZATION; SCIENCE. The Government Operations Committee reported adversely without amendment H. Res. 595, disapproving Reorganization Plan No. 2 to create an office of science and technology (H. Rept. 1635) (pp. 6554, D304).
7. FARM PROGRAM. Rep. Cooley inserted a summary of H. R. 11222, the proposed Food and Agriculture Act of 1962. pp. 6523-5
8. PERSONNEL. Both Houses received from the President a proposed bill "to authorize the withholding from the pay of civilian employees of the United States the dues for membership in certain employee organizations"; to Post Office and Civil Service Committees. pp. 6448, 6554
9. APPROPRIATIONS. Received from the President amendments to the budget for fiscal year 1963 of \$80,000 for the Delaware River Basin Commission, and a proposed provision for the U. S. Study Commission -- Texas (H. Doc. 398). p. 6554
10. TEXTILES. Rep. Curtis, Mo., discussed the impact of imports on the textile industry, and the effect of long-term cotton textile arrangement. p. 6528
11. FORESTRY; FOREIGN TRADE. Rep. Dowdy inserted a speech before the West Coast Lumberman's Association, "The Trade World We Live In." pp. 6549-52
12. LEGISLATIVE RECORD. Rep. Albert discussed the legislative record of the first 100 days of the second session of the 87th Congress. p. 6523
13. ADJOURNED until Mon., Apr. 30. p. 6554

SENATE

14. FARM PROGRAM. Sen. Williams, Del., referred to his resolution providing for an investigation of the acreage allotment and storage programs of this Department, stated its purpose "was particularly pointed at the financial transactions which had taken place between the Department of Agriculture and Mr. Billie Sol Estes, of Texas, and the allegation that numerous high officials .. had been the beneficiaries of his benevolences," and inserted three articles discussing this matter. pp. 6462-3
15. EGG IMPORTS. Sen. Williams, Del., protested the importation of eggs from Poland, contended the eggs were produced from "cheap American grain" sold to Poland under Public Law 480, and inserted the letter from Under Secretary Murphy on this situation. pp. 6471-2
16. RESEARCH; LABORATORY. Sen. Humphrey expressed hope the Senate Appropriations Committee would include funds in the USDA appropriation bill for the establishment of a Federal crop quality laboratory at the Univ. of Minn. "to provide for the first time an organized basis for genetic modification of existing crop lines for largely new purposes." p. 6471

REDUCING REVOLVING FUND AVAILABLE TO BANKS FOR COOPERATIVES

APRIL 19, 1962.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany H.R. 10374]

The Committee on Agriculture, to whom was referred the bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to reduce by approximately \$36 million (to \$150 million) the amount of money held in the revolving fund for the possible purchase of stock in the banks for cooperatives and to return this amount to miscellaneous receipts of the Treasury.

The fund was established in 1929 with an authorized amount of \$500 million for the purposes of the Federal Farm Board. When the affairs of that Board were wound up in 1933, administration of the fund passed to the Farm Credit Administration to be used, whenever necessary, for the purchase of stock in the banks for cooperatives. As these banks gradually become more largely self-financing, demands on the revolving fund have become smaller, and the Farm Credit Administration now believes that the fund may safely be reduced to \$150 million and the balance of approximately \$36 million returned to the Treasury.

JUSTIFICATION

The following statement by the Deputy Governor of the Farm Credit Administration at hearings on H.R. 10374 explains in some detail the justification for the legislation.

STATEMENT OF GLENN E. HEITZ, DEPUTY GOVERNOR AND DIRECTOR OF COOPERATIVE BANK SERVICE, FARM CREDIT ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON CONSERVATION AND CREDIT OF THE HOUSE COMMITTEE ON AGRICULTURE CONCERNING H.R. 10374

The purpose of H.R. 10374 is to reduce the amount of the revolving fund in the Treasury which is available for the Governor of the Farm Credit Administration to purchase class A capital stock in the banks for cooperatives. This revolving fund originally was authorized and established at \$500 million under section 6 of the Agricultural Marketing Act of 1929 for the purposes of the Federal Farm Board. By 1933 the affairs of that Board were being wound up, and the administration of the fund passed to the Farm Credit Administration. When the banks for cooperatives were established, also in 1933, what remained in the fund was made available for the purchase of capital stock in such banks. The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled \$185,918,743.10. This is the amount now in the fund and is the maximum amount ever made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, \$35,918,743.10 of the cash in the fund would be credited to miscellaneous receipts of the Treasury, which would reduce the revolving fund to \$150 million.

At the present time \$106,817,000 of the fund is invested in the capital stock of the banks for cooperatives. Each year since the Farm Credit Act of 1955, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund. These repayments and any other cash in the fund continue to be available for further subscriptions to the capital stock of the banks for cooperatives as the Governor may determine is required for the purpose of meeting the credit needs of eligible borrowers from the banks. The last use of the fund to purchase capital stock in a bank for cooperatives was during World War II to help finance the processing and distributing of food and fiber for the war effort.

It may be helpful to review how the proposed reduction in the revolving fund may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law, the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures

in an amount which, together with such capital and surplus, would give them loanable funds of approximately \$3 billion. If the revolving fund is reduced by \$35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately \$2.7 billion. This amount is about four times the peak loans of \$783 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is thought that reducing the revolving fund to \$150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

The Farm Credit Administration has recommended the enactment of H.R. 10374, and we hope that the committee will act favorably on it.

COST

There would be no cost to the United States as the result of this legislation. On the contrary, some \$36 million in the Treasury now tied up for a special purpose would be returned to general receipts.

DEPARTMENTAL APPROVAL

Enactment of this legislation was recommended in an executive communication from the Farm Credit Administration reading as follows:

FARM CREDIT ADMINISTRATION,
Washington, D.C., January 22, 1962.

The Honorable the SPEAKER OF
THE HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: There is transmitted herewith a proposed bill to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives. Thereunder, the authorized amount of the fund would be reduced from \$500 million to \$150 million and \$35,918,743.10 of the \$185,918,743.10 now in the fund would be covered into miscellaneous receipts of the Treasury of the United States. This reduction will be treated as a capital transfer from the revolving fund to the general fund, which will not in itself have any effect on budget receipts or budget expenditures.

As enacted in 1929, the broad purpose of the Agricultural Marketing Act as stated in its title was "to establish a Federal Farm Board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries." By section 6 of the act (46 Stat. 14; 12 U.S.C. 1141d), Congress authorized a revolving fund of \$500 million—and this amount was actually made available—to be administered by the Federal Farm Board in carrying out its functions under the act. Among those functions was making loans to cooperative associations and stabilization corporations. In 1933, when the Farm Credit Administration was established, it succeeded to the administration of the fund. The Farm Credit Act of 1933, which provided for the establishment of the 13 banks for coop-

eratives to make loans to cooperative associations, curtailed the lending operations from the fund and made the fund available for subscriptions to the capital stock of the central and regional banks for cooperatives (12 U.S.C. 1134i, 1134b). The cash available is the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled \$185,918,743.10. This is the amount made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, \$35,918,743.10 of the cash in the fund would be covered into the miscellaneous receipts of the Treasury, which would reduce the revolving fund to \$150 million, of which \$106,817,000 is presently invested in the capital stock of the banks for cooperatives. Each year, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund, where they continue available for further subscriptions to the capital stock of the banks for cooperatives if needed.

To appreciate the significance of the proposed reduction in the revolving fund, it may be helpful to review how it may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately \$3 billion. If the revolving fund is reduced by \$35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately \$2.7 billion. This amount is about four times the peak loans of \$683 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is our opinion that reducing the revolving fund to \$150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

This submission has the approval of the Federal Farm Credit Board and early consideration and enactment of the proposed bill is recommended.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal from the standpoint of the administration's program.

Very truly yours,

R. B. TOOTELL, *Governor.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL MARKETING ACT

* * * * * *

SEC. 6. There is authorized to be appropriated the sum of \$500,-000,000 which shall be made available by the Congress as soon as practicable after the approval of this Act and shall constitute a revolving fund to be administered by the administration as provided in this Act. Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this Act, shall be covered into and become a part of said revolving fund. *Effective upon enactment of this sentence the sum authorized to be appropriated for the aforesaid revolving fund is reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury.*



H. R. 10374

[Report No. 1633]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

APRIL 19, 1962

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 6 of the Agricultural Marketing Act, as amended
4 (12 U.S.C. 1141d), is amended by adding the following
5 sentence at the end thereof: "Effective upon enactment of
6 this sentence the sum authorized to be appropriated for the
7 aforesaid revolving fund is reduced from \$500,000,000 to
8 \$150,000,000 and any amount in said fund in excess of
9 \$150,000,000 (including any amount thereof used to pur-
10 chase capital stock in the central and regional banks for

87TH CONGRESS
2^D SESSION

H. R. 10374

[Report No. 1633]

A BILL

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

By Mr. COOLEY

FEBRUARY 26, 1962

Referred to the Committee on Agriculture

APRIL 19, 1962

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

1 cooperatives) shall be credited to miscellaneous receipts of
2 the Treasury.”

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 8, 1962
For actions of May 7, 1962
87th-2d, No. 72

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HIGHLIGHTS: Sen. Williams, Del., urged investigation of Billie Sol Estes relations with this Department. House passed bill to permit soil bank equipment to be used for State forestry work.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "Met in executive session on H. R. 11222, the general farm bill. No announcements were made, and the committee adjourned subject to call of the Chair." p. D340
2. SOIL CONSERVATION. Agreed to without amendment S. Con. Res. 62, commemorating the twenty-fifth anniversary of the establishment of soil conservation districts. p. 7230
3. PERSONNEL. Passed as reported H. R. 8564, to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under such Act in the absence of any claim for payment. p. 7228
4. FORESTRY. Passed under suspension of the rules H. R. 9736 to permit States which have been cooperating with the Federal Government in the production of forest tree seedlings for planting on conservation reserve land to continue

to use the facilities, materials, equipment, and improvements provided cooperatively by the Federal Government for the production of such seedlings, in producing seedlings which will be needed to attain the objectives of other related programs. pp. 7229, 7232-3

5. MINERALS. Passed as reported H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Arizona. pp. 7226, 7231-2
6. DAIRY; REPORTS. Passed without amendment H. R. 4083, to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products. p. 7231
7. LANDS; FORESTRY. Passed without amendment H. R. 8434, to authorize the Secretary of Agriculture to sell and convey a certain parcel of forest land to the city of Mount Shasta, California. p. 7231
8. COOPERATIVES. Passed without amendment H. R. 10374, to amend section 6 of the Agricultural Marketing Act of 1929, as amended, so as to reduce from \$500,000 to \$150,000 the revolving fund available for subscriptions to capital stock of the banks for cooperatives. p. 7231
9. SEEDS. At the request of Rep. Poage, passed over without prejudice H. R. 5546, to amend the Federal Seed Act, as amended, so as to prohibit the importation of any type of seed screenings. p. 7231
10. ELECTRIFICATION. At the request of Rep. Saylor, passed over without prejudice H. R. 10708, to amend section 203 of the Rural Electrification Act of 1936 so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures, writing, or signs as well as voice. p. 7230
11. MARKETING PENALTIES. At the request of Rep. Pelly, passed over without prejudice H. R. 10594, to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that no penalty shall be collected with respect to the marketing of any agricultural commodity grown for experimental purposes by any publicly owned agricultural experiment station or by any privately owned nonprofit agricultural research and experiment station or foundation. pp. 7229-30
12. SCHOOL LUNCH. At the request of Rep. Ford, passed over without prejudice H. R. 8962, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. p. 7224
13. METRIC SYSTEM. On objection of Reps. Gross, Ford, and Hall, passed over H. R. 2049, to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption of the U. S. of the metric system of weights and measures. p. 7223
14. YOUTH CONSERVATION. Rep. Perkins inserted an article on the Youth Conservation Corps, "Youth's Other Corps." pp. 7236-7
15. TRANSPORTATION. Rep. Wallhauser discussed the transportation problem, saying "It is important that we come to grips with it at the earliest possible moment...To neglect the transportation system that carries the economic bloodstream is to risk national paralysis." pp. 7235-6

Treasury Department was that the present limitation be removed altogether, that there be no limitation by the legislative committee on the number of White House Police. Their justification for this was that they have to go before their own agency, they have to go before the Bureau of the Budget, and so forth, and justify each new member.

Mr. GROSS. Is not that too bad, that they have to do what other departments in the Federal Government have to do, justify a requested increase in the number of employees?

Mr. McFALL. If the gentleman will permit me to finish my explanation: The committee thought that removing the ceiling altogether was not judicious. We felt that we should apply a ceiling which would give them some room of movement for perhaps the next 4 or 5 years. They told us they had new duties so that they require at the present time some 43 new positions.

Mr. GROSS. Will the gentleman stop right there and let me ask him this question: Could some of the new duties be that of taking care of the horses presently parked at the White House?

Mr. McFALL. No, there was no testimony to that effect.

Mr. GROSS. Who does take care of the horses?

Mr. McFALL. There was no testimony about that.

Mr. GROSS. I like horses, too, but I would like to know who takes care of them.

Mr. McFALL. I am at a loss to explain to the gentleman concerning the horses because we had no testimony concerning the fact that the Secret Service or the White House Police take care of any horses. They did explain to us, however, that they have an entire new jurisdiction in the old State Department Building just across the street from the White House which they must guard with White House Police, and that it is necessary for them to have an additional 43 people to do this job, together with the job of guarding the President at other places where he has other residences, and so on. Therefore, at the present time they find a justification for 43. In order to save them the requirement of coming back to our committee, in view of the fact that they must justify to these other agencies and the Committee on Appropriations each time, we felt that we should put them in the bill at 250.

Mr. GROSS. In my opinion, Mr. Speaker, this bill needs more time for discussion and more explanation than I feel ought to be taken on this Consent Calendar. I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

REPORTS ON DAIRY PRODUCT USE

The Clerk called the bill (H.R. 4083) to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 202(a) of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a(a)), is amended by striking out "monthly" and inserting in lieu thereof "every six months".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE, MOUNT SHASTA, CALIF.

The Clerk called the bill (H.R. 8434) to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to sell and convey to the city of Mount Shasta, California, by quitclaim deed, at its appraised value as determined by him, all the right, title, and interest of the United States in and to that certain parcel of land containing four and one-half acres, more or less, located in Siskiyou County, California, adjacent to the city of Mount Shasta, conveyed to the United States by Enrico Spini and Anunzia Spini, and further described as follows:

The south one-half of the southwest quarter of the southwest quarter of the northwest quarter of section 22, township 40 north, range 4 west, Mount Diablo base and meridian, excepting, a strip of land approximately 60 feet wide and approximately 330 feet long on the west side of said tract, deeded to the State of California and used as a State highway right-of-way.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IMPORTATION OF SEED SCREENINGS

The Clerk called the bill (H.R. 5546) to amend the Federal Seed Act, as amended, with respect to screenings of seed.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Reserving the right to object, Mr. Speaker, I understand the administration or at least the Department of State is very much opposed to this legislation. Certainly the report indicates that opposition. I am not going to pass it over, but I think this ought to be called to the attention of House leadership.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. POAGE. The committee has just this morning been advised of objection, not from the State Department but rather from the grain trade. The committee has agreed, anticipating there would be objection to the consideration of this bill, that we would give hearings on Thursday of this week on this bill.

We have anticipated that it will be passed over.

Mr. FORD. I withdraw my reservation, Mr. Speaker, and suggest that the distinguished gentleman from Texas ask that it be passed over.

Mr. POAGE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REDUCING REVOLVING FUND AVAILABLE TO BANKS FOR CO-OPERATIVES

The Clerk called the bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Agricultural Marketing Act, as amended (12 U.S.C. 1141d), is amended by adding the following sentence at the end thereof: "Effective upon enactment of this sentence the sum authorized to be appropriated for the aforesaid revolving fund is reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WITHHOLDING PAY OF CERTAIN RETIRED OFFICERS OF THE NAVAL SERVICE

The Clerk called the bill (H.R. 11217) to amend section 6112 of title 10, United States Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6112 of title 10, United States Code, is amended—

- (1) by striking out the designation "(a)" at the beginning thereof; and
- (2) by repealing subsection (b).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This is the last eligible bill on the call of the Consent Calendar today.

MINERAL INTERESTS IN CERTAIN PUBLIC LANDS, PIMA COUNTY, ARIZ.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to return to Consent Calendar No. 412 for the consideration of the bill (H.R. 10566) to provide for

the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz.; and in support of such request I state it is my understanding that the opposition which was formerly recorded has been withdrawn.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to valid existing rights, the minerals, excepting oil and gas, in the lands more fully described in section 2 hereof are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from disposal under the Act of July 31, 1947, as amended (61 Stat. 681; 30 U.S.C. 601-604).

(b) Nothing in this Act shall be construed to preclude a surface owner of lands described herein from granting to any person or firm the right to prospect or explore for minerals on such terms and conditions that may be agreed upon by the surface owner and the prospector.

(c) The Secretary of the Interior, for value, may, after notification to the surface owner and administrative hearing, authorize extraction, use, or disposition of any of the minerals withdrawn by subsection (a) of this section.

SEC. 2. The lands in which lie the minerals and resources withdrawn by this Act are those that are within Pima County, State of Arizona, and described as follows:

From the northeast corner of section 1, township 11 south, range 14 east, southerly along the range line separating ranges 14 and 15 east to the northeast corner of section 1, township 13 south, range 14 east;

From the northeast corner of section 1, township 13 south, range 14 east, easterly along the township line separating townships 12 and 13 south to the northeast corner of section 1, township 13 south, range 16 east;

From the northeast corner of section 1, township 13 south, range 16 east in a southerly direction along the range line separating ranges 16 and 17 east to the northeast corner of section 1, township 17 south, range 16 east;

From the northeast corner of section 1, township 17 south, range 16 east in a westerly direction along the township line separating townships 16 and 17 south to the northeast corner of section 1, township 17 south, range 13 east;

From the northeast corner of section 1, township 17 south, range 13 east in a northerly direction along the range line separating ranges 13 and 14 east to the northeast corner of section 24, township 15 south, range 14 east;

From the northeast corner of section 24, township 15 south, range 13 east, westerly to the northeast corner of section 21, township 15 south, range 13 east;

From the northeast corner of section 21, township 14 south, range 13 east, northerly to the northeast corner of section 28, township 14 south, range 13 east;

From the northeast corner of section 28, township 14 south, range 13 east, westerly to the northeast corner of section 27, township 14 south, range 12 east;

From the northeast corner of section 27, township 14 south, range 12 east, northerly to the northeast corner of section 10, township 14 south, range 12 east;

From the northeast corner of section 10, township 14 south, range 12 east, westerly to the northeast corner of section 8, township 14 south, range 12 east;

From the northeast corner of section 8, township 14 south, range 12 east, northerly to the northeast corner of section 5, township 13 south, range 12 east;

From the northeast corner of section 5, township 13 south, range 12 east, westerly to the southwest corner of section 31, township 12 south, range 12 east;

From the southwest corner of section 31, township 12 south, range 12 east, northerly to the Pima-Pinal County line;

From there, easterly along the Pima-Pinal County line to the northeast corner of section 1, township 11 south, range 14 east; and

The southeast quarter of the southeast quarter, section 11, township 17 south, range 13 east, all Gila and Salt River base and meridian;

Except all parcels of land lying within present boundaries of Coronado National Forest, the Saguaro National Monument, and military reservations.

With the following committee amendments:

Page 1, line 3, strike out all of section 1 through page 2, line 8, and insert in lieu thereof the following: "That (a) subject to valid existing rights, the mineral interests of the United States which have been reserved in patents or other conveyances, heretofore issued under the public land laws, in the lands more fully described in section 2 hereof are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from disposal under the Act of July 31, 1947, as amended (61 Stat. 681; 30 U.S.C. 601-604).

"(b) Nothing in this Act shall be construed to preclude a surface owner of any lands described herein from granting to any person or firm the right to prospect or explore for any class of minerals for which mining locations may be made under the United States mining laws on such terms and conditions as may be agreed upon by the surface owner and the prospector, but no mining location shall be made thereon so long as the withdrawal made by this Act is in effect.

"(c) The surface owner of any lands may at any time after the effective date of the Act, make application to purchase, and the Secretary of the Interior shall sell to such owner, the interests of the United States in any and all minerals within the boundaries of the lands owned by such owner, which lands were patented or otherwise conveyed under the public land laws with a reservation of such minerals to the United States. All sales of such interests shall be made expressly subject to valid existing rights. Before any such sale is consummated, the surface owner shall pay to the Secretary of the Interior the sum of the fair market value of the interests sold, and the cost of appraisal thereof, but in no event less than the sum of \$50 per acre and the cost of appraisal of the mineral interests. The Secretary of the Interior shall issue thereupon such instruments of conveyance as he deems appropriate.

"(d) In the event that any of the minerals to be conveyed under subsection (c) of this section are subject to any lease, permit, license, or contract issued under the Mineral Leasing Act, as amended, 30 U.S.C. 181 et seq., or any other law, then such conveyance shall contain an assignment of all right, title, and interest of the United States in and to such lease, permit, license, or contract, including the right to all rentals, royalties, and other payments accruing under such lease, permit, license, or contract after the effective date of such conveyance."

Page 2, strike out all of lines 9, 10, and 11, and insert in lieu thereof the following:

"Sec. 2. This Act shall be applicable only to the lands which are within the area situ-

ated in Pima County, Arizona, described as follows:"

Page 3, line 6, strike out the words "range 14 east;" and insert in lieu thereof "range 13 east;"

Page 3, line 10, strike out the words "township 14" and insert in lieu thereof "township 15".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF FORESTRY NURSERY FACILITIES TO STATES

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9736) to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress recognizes that for many years the United States and certain States have co-operated in the production of tree planting stock for use in the reforestation of the public and private lands of the Nation; that the program of production of tree planting stock which was initiated and pursued under the Soil Bank Act (7 U.S.C. 1801 et seq.) was carried on under written agreements which provided for (a) cooperation between the Forest Service, on behalf of the United States, and the State which participated in the program, (b) payments to said States for costs and expenses incurred in the development of nursery facilities, (c) the holding of such funds by the States in trust for the purpose of carrying out the provisions of said agreements, and (d) restoration to the trust fund of an amount equal to the residual value of any supplies, materials, equipment, or improvements acquired or constructed with trust funds and transferred to State forestry work other than the soil bank program; that such program under said Soil Bank Act has been discontinued, but the need for the trees continues to be great; that the States and Federal Government are cooperating in the procurement, production, and distribution of forest-tree seeds and plants under section 4 of the Clarke-McNary Act of June 7, 1924 (16 U.S.C. 567), and in the reforestation of lands under title IV of the Agricultural Act of 1956 (16 U.S.C. 568e-g); and that said participating States need the said supplies, materials, equipment, or improvements for use in connection with their respective forestry programs, and it is in the public interest to permit these States to use said property without the requirement that payment be made for the residual value thereof.

SEC. 2. For the purpose of assisting those States which participated in the program carried on under the Soil Bank Act in continuing the production of needed tree planting stock and in other forestry programs, the Secretary of Agriculture is authorized to permit any supplies, materials, equipment, or improvements acquired or constructed with trust funds under the agreements referred to in section 1 to be used in such State forestry work as may further the objectives of related Federal programs, as he may approve, without the requirement that any payment be made by the State into the trust funds.

The SPEAKER. Is a second demanded?

87TH CONGRESS
2D SESSION

H. R. 10374

IN THE SENATE OF THE UNITED STATES

MAY 8, 1962

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 6 of the Agricultural Marketing Act, as amended
4 (12 U.S.C. 1141d), is amended by adding the following
5 sentence at the end thereof: "Effective upon enactment of
6 this sentence the sum authorized to be appropriated for the
7 aforesaid revolving fund is reduced from \$500,000,000 to
8 \$150,000,000 and any amount in said fund in excess of
9 \$150,000,000 (including any amount thereof used to pur-
10 chase capital stock in the central and regional banks for

AN ACT

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

MAY 8, 1962

Read twice and referred to the Committee on
Agriculture and Forestry

Agreed to a unanimous consent agreement limiting debate on any amendment to two hours and limiting debate on final passage of the bill to four hours. pp. 9125-6

Sens. Gruening, Hickenlooper, Cotton, Cooper, and Capehart submitted amendments intended to be proposed to this bill. p. 9107

Sen. Pell inserted a chart on U. S. economic assistance to Latin America showing obligations and loan authorizations from July 1, 1961, to April 30, 1962. pp. 9114-5

13. THE AGRICULTURE AND FORESTRY COMMITTEE voted to report (but did not actually report) the following bills: pp. D437-8

~~H. R. 8434, to authorize the Secretary of Agriculture to sell and convey a parcel of forest land to the city of Mount Shasta, Calif.~~

~~H. R. 9736, to permit States which have been cooperating with the Federal Government in the production of forest tree seedlings for planting on conservation reserve land to continue to use for related programs the facilities, equipment, etc., provided cooperatively by the Federal Government for the production of such seedlings.~~

~~S. 3064, with amendment, to authorize additional appropriations annually to keep the national survey of forest resources current.~~

H. R. 10374, to amend Sec. 6 of the Agricultural Marketing Act of 1929 so as to reduce the revolving fund available for subscriptions to capital stock of the banks for cooperatives.

H. R. 4083, to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products.

S. 3062, to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage to alleviate hardship from natural disaster.

H. R. 4939, to provide for the conveyance by the Farmers Home Administration of all right, title, and interest of the U. S. in a tract of land in Jasper County, Ga., to the Jasper County Board of Education.

H. R. 7866, to extend the Poultry Products Inspection Act to Puerto Rico and the Virgin Islands.

H. R. 8050, to prohibit the importation of all honeybees of the genus Apis in the adult stage except for research purposes by this Department as the Secretary shall determine.

14. SOVIET AGRICULTURE. Sen. Hruska inserted a condensation of an analysis prepared in this Department on the problems of Soviet Agriculture. pp. 9112-3

15. FORESTRY. Sen. Gruening discussed problems of the lumber industry in Alaska, urged relief for the industry pending completion of a study of the problem, and inserted a telegram he received from the president of the Alaska Lumbermen's Association on the matter. pp. 9129-30

16. NATIONAL PARKS. Sen. Moss urged adoption of a policy of multiple use management for the national parks, stating that he was convinced "that only when we permit limited secondary use of the lands within the national parks and seashores ... can we expand our park system to the extent necessary to meet our growing needs for outdoor recreation." Sens. Metcalf and Yarborough commended his statement. pp. 9130-2

17. EXPORT CONTROL. Received from Commerce the quarterly report on export control. p. 9102.

18. APPROPRIATIONS. Sen. Williams, Del., for himself and Sen. Lausche, submitted an amendment intended to be proposed to H. R. 10802, the Department of the Interior and related agencies appropriation bill for 1963. p. 9107
19. WATER RESOURCES. Received from the Corps of Engineers, Department of the Army, a report on the Chowchilla River Basin, Calif. p. 9107

ITEMS IN APPENDIX

20. TRANSPORTATION. Extension of remarks of Rep. Van Zandt inserting an article, "Washington Reports -- J. F. K.'s Transportation Proposals Meet Rail Approval." pp. A4149-50
Extension of remarks of Rep. Van Zandt inserting his article, "A Call For United Rail Action." pp. A4164-5
21. ELECTRIFICATION. Extension of remarks of Sen. Hruska inserting several prize-winning essays on the value of rural electrification. pp. A4153-4
22. AUTOMATION. Extension of remarks of Rep. Brademas inserting a report of the 21st American Assembly, "The Challenge and the Promise of Technology." pp. A4162-4
23. WILDERNESS. Extension of remarks of Rep. Saylor urging the passage of the proposed Wilderness Act and inserting an article, "Outdoor Recreation Review." pp. 4132-4
24. CONSERVATION; RESEARCH. Extension of remarks of Rep. Thomson, Wis., inserting a resolution of the Wisconsin Association of Soil and Water Conservation District Supervisors supporting soil and water conservation research programs. p. A4137
25. FARM PROGRAM. Extension of remarks of Rep. Goodling criticizing the decrease in family farms and inserting an article criticizing the farm program, "Our Agricultural Failure." p. A4138
26. SURPLUS COMMODITIES. Extension of remarks of Rep. Kelly commending and summarizing briefly the main provisions of Public Law 480 and the extent of the food-for-peace programs. pp. A4147-9

BILLS INTRODUCED

27. PERSONNEL. H. R. 12033, by Rep. Merrow, to amend the Civil Service Retirement Act to provide for the adjustment of inequities; to Post Office and Civil Service Committee.
H. R. 12040, by Rep. Murray, to define the term "child" for lump-sum payment purposes under the Civil Service Retirement Act; to Post Office and Civil Service Committee.
28. SUGAR. H. R. 12034, by Rep. Nelsen, to amend section 408 of the Sugar Act of 1948, as amended; to Agriculture Committee.
29. FORESTS. S. 3379, by Sen. Williams, Del., relating to mining claims on lands within the national forests; to Interior and Insular Affairs Committee.
Remarks of author. pp. 9104-5

Daily Digest

HIGHLIGHTS

Senate worked on foreign aid bill, adopting amendment to bar aid to Communist countries, and agreeing to limit further debate in bill's consideration.

House passed bills amending School Lunch Act and extending certain tax rates.

House committee granted a rule on the general farm bill.

Senate

Chamber Action

Routine Proceedings, pages 9101-9117

Bills Introduced: Eight bills and three resolutions were introduced, as follows: S. 3373-3380; S.J. Res. 195-196; and S. Con. Res. 76.

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Bills Reported: Reports were made as follows:

S. 3377, private bill (S. Rept. 1543);

S. Con. Res. 76, private resolution (S. Rept. 1544);

S. 2614, 2686, 2692, 2699, 2837, 2862, 2872, 2455, 2855, 2999, 2711, 2904, 2994, H.R. 6330, 4655, 3714, 3633, 3595, 2833, and 10502, private bills (S. Repts. 1545-1564); and

S. 3025, authorizing the Texas & Pacific Railway Co. to require securities or stock of or property from any other carriers (S. Rept. 1565).

Pages 9102-9103

Bills Referred: Twenty-three House-passed bills were referred to appropriate committees.

Page 9101

Printing: Report dated January 17, 1962, from the Chief of Engineers, Department of the Army, on review of reports on the Chowchilla River Basin, Calif., was ordered to be printed as Senate Document 98.

Page 9107

Foreign Aid: Senate worked on S. 2996, proposed Foreign Assistance Act of 1962, reaching unanimous-consent agreement to limit further debate to 2 hours on each amendment, motion, or appeal (except motion to table), equally divided, and 4 hours on the bill, equally divided, with no nongermane amendments to be received.

Amendments to the bill were acted on as follows:

Adopted: Proxmire amendment to suspend aid to Yugoslavia, as amended by adoption, 57 yeas to 24 nays, of modified Lausche substitute amendment to bar aid to any country known to be dominated by communism or Marxism (motion to reconsider tabled); Javits amendment directed against certain discriminations against American Jews in communications and travel

(motion to reconsider tabled); Church amendment providing for orderly termination of military assistance to countries whose economy can maintain their own military forces; and Sparkman amendment respecting guarantee of investments in housing projects in underdeveloped countries; and

Rejected: By 39 yeas to 42 nays (motion to reconsider tabled), Gruening amendment providing that no grant or loan shall be made to any country for highway reconstruction or maintenance when U.S. funds were used for its construction.

Pages 9117, 9121-9127, 9132-9155

Confirmations: Four civilian nominations were confirmed.

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Record Votes: Two record votes were taken today.

Pages 9142, 9149

Program for Thursday: Senate met at 11 a.m. and adjourned at 6:10 p.m. until noon Thursday, June 7, when it will continue, under debate limitation agreement, on S. 2996, foreign aid.

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Committee Meetings

(Committees not listed did not meet)

COMMITTEE BUSINESS

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported the following bills: H.R. 5456, a private bill; H.R. 8434, authorizing the sale of 4.5 acres of land to the city of Mount Shasta, Calif.; H.R. 9736, authorizing the Secretary of Agriculture to permit the continued use by States of certain land for production of tree planting stock; S. 3064, to remove the limitation of \$1.5 million for annual appropriations to maintain the national survey of forest resources (amended); H.R. 10374, to reduce the revolving fund available for subscription to capital stock of the banks for cooperatives; H.R. 4083, to reduce the frequency of reports required by the VA on the use of sur-

plus dairy products; S. 3062, to permit hay harvests from conservation reserve acreage to alleviate hardship from natural disaster; H.R. 4939, to convey certain reversionary rights to Jasper County, Ga.; H.R. 7866, to extend the application of the Poultry Products Inspection Act to Puerto Rico and the Virgin Islands; and H.R. 8050, to permit the Department of Agriculture to import adult honey bees for experimental purposes.

Committee also approved the following 17 watershed projects: Puukapu, Hawaii; Scattering Fork, Ill.; Little Kentucky River, Ky.; San Gabriel River, Calif.; Indian Wash, Colo.; Rocky Comfort Creek, Ga.; South Fork of Blackwater River, Mo.; Mulberry Creek, Tenn.; Escondido Creek, Calif.; Upper Quaboag River, Mass.; Gering Valley, Nebr.; Gum Neck, N.C.; Wagon Creek, Okla.; Pine Creek, Tenn.; Leon River, Tex.; Saltlick Creek, W. Va.; and Napa River, Calif.

MILITARY CONSTRUCTION AUTHORIZATIONS

Committee on Armed Services: The Military Construction Subcommittee met in executive session to mark up S. 2841, fiscal 1963 authorizations for military construction, but did not conclude action thereon, and will meet again tomorrow.

STOCKPILING

Committee on Armed Services: Subcommittee on the National Stockpile resumed its hearings on the cancellation of a stockpiling contract with the Climax Molybdenum Co., with testimony from Arthur H. Bunker and Weston Thomas, of New York, formerly this company's president and vice president, respectively.

Subcommittee recessed subject to call of the Chair.

DEFENSE PRODUCTION ACT

Committee on Banking and Currency: Committee continued its hearings on S. 3203, to extend for 2 years the Defense Production Act of 1950, receiving testimony from Charles Kendall, General Counsel, Office of Emergency Planning; Louis Brooks, Office of Financial Management, and George K. Casto, Defense Materials Service, both of the GSA; James M. Davis, who was accompanied by Carl Rolle, both of the Department of Defense; A. A. Bertsch, Deputy Administrator, Business and Defense Services Administration, Department of Commerce; and William Lamont and James Coyle, both of the Antitrust Division, Department of Justice.

Hearings were recessed subject to call.

MOTOR CARRIERS

Committee on Commerce: Subcommittee on Surface Transportation, in executive session, approved for full committee consideration with amendments S. 2560, to require that all States conform their regulations of interstate motor carriers with the uniform standards of the ICC within 5 years.

D.C. MATTERS

Committee on the District of Columbia: Subcommittee on Business and Commerce held hearings on the following bills:

S. 3350, relating to the extension of the time during which appropriations may be made for the D.C. Hospital Center, with testimony from Charles S. Dewey and Richard M. Loughery, both of the Washington Hospital Center; and Tom Moyer, Assistant Corporation Counsel, D.C.;

S. 3359, authorizing D.C. Commissioners to lease certain public space near 10th Street SW., for public parking, with testimony from Tom Moyer; William D. Heath, Motor Vehicle Parking Agency, D.C.; and Gordon E. Howard, D.C. Redevelopment Land Agency;

S. 2977, to exclude certain group life insurance from certain standard provisions, with testimony from David L. Kreeger, representing Government Employees Life Insurance Co., Acacia Mutual Life Insurance Co., Equitable Life Insurance Co., Peoples Life Insurance Co., and United Services Life Insurance Co.; Maximilian Wallach, Department of Insurance, D.C.; and Tom Moyer; and

S. 3063, to incorporate the Metropolitan Police Relief Association of the D.C., with testimony from Clarence Lutz, Metropolitan Police Relief Association; Milton Korman, Office of the Corporation Counsel, D.C.; Maximilian Wallach; Robert J. Meyers, a D.C. citizen; and Inspector Thomas V. Slominski, retired.

PUBLIC WELFARE AMENDMENTS

Committee on Finance: Committee met in executive session to consider H.R. 10606, to extend and improve the public assistance and child welfare services programs of the Social Security Act, but made no announcements, and will meet again tomorrow.

INDIA, AND NOMINATION

Committee on Foreign Relations: Committee met in executive session to hear Ambassador J. Kenneth Galbraith review the current situation in India.

Committee also heard William Battle testify in behalf of his nomination to be Ambassador to Australia. Also testifying in behalf of the nominee was Senator Robertson. This nomination was subsequently approved for reporting to the Senate.

COMMITTEE BUSINESS

Committee on the Judiciary: Committee, in executive session, ordered favorably reported the nomination of Luke C. Moore, to be U.S. marshal for the District of Columbia; S. 3025, authorizing the Texas & Pacific Railway Co. to require securities or stock of, or property from any other carriers; 21 private immigration bills (S. 2455, 2614, 2686, 2692, 2699, 2711, 2837, 2855, 2862,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 8, 1962
For actions of June 7, 1962
87th-2nd, No. 92

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HIGHLIGHTS: House Rules Committee cleared farm bill. Senate passed foreign aid bill with amendment on Public Law 480 shipments. House committee reported foreign aid bill. Conferees agreed to file report on bill for agricultural import restrictions on nonparticipating countries in multilateral trade agreements. Senate committee reported bills to permit harvesting of hay on certain Soil Bank lands, increase authorization for forest survey, etc. Sen. Proxmire criticized a reclamation project in view of farm surplus. Rep. Findley criticized farm bill. Sen. Humphrey introduced bill to increase limitation on certain FHA insured loans. Sen. Humphrey introduced bill to establish commission to study food and fiber requirements.

SENATE

1. FOREIGN AID. Passed, 61-23, with amendments S. 2996, the foreign aid authorization bill. pp. 9179-221

Agreed to the following amendments:

By Sens. Mansfield and Dirksen, modified, by a 56-34 vote, providing that the bar against aid to Communist-dominated countries shall not be deemed to prohibit shipment of foods thereto under Public Law 480 if (1) recipient country is not participating directly or indirectly in any program for Communist world conquest, (2) recipient country is not controlled by any country promoting Communist world conquest, (3) furnishing such aid is in the interest of U. S. national security, and (4) the President notifies Congress of intention to furnish such assistance. pp. 9180-96

By Sen. Hickenlooper, to bar aid to any country which has expropriated American

- property without compensation since Jan. 1, 1962. pp. 9204-7
- By Sen. Hickenlooper, providing that there may be no waiver of the antiexpropriation provisions of the bill. p. 9207
- By Sen. Cooper, expressing the sense of Congress that advisory committees appointed by the President should review U. S. aid programs and foreign developments. pp. 9207-8, 9209-10
- By Sen. Cooper, expressing the sense of Congress that the President should invite friendly nations and the World Bank to join in missions to consult on economic development with recipient countries. pp. 9208-10
- By Sen. Keating, modified, providing for priorities among countries so that preference would be given to those friendly to the U. S. and who do not receive Communist arms. pp. 9210-12
- By Sen. Javits, to make clear that the authorization of the New York World's Fair will be preserved. pp. 9212-3
- By Sen. Javits, directing AID to provide financial and administrative assistance to the Commerce Committee for Alliance for Progress. pp. 9213-14
- By Sen. Javits, to increase by \$15 million the ceiling for guarantee loans at the President's discretion. p. 9214
- By Sen. Humphrey, barring aid to any country refusing to pay indebtedness to U.S. citizens through its government or instrumentalities thereof. pp. 9214-5
- By Sen. Miller, to encourage repatriation by recipient nations of capital invested in other countries by its own citizens. pp. 9215-6
- Rejected, 40-45, an amendment by Sen. Cotton barring aid to any country which exports arms or strategic materials to any country dominated by USSR. pp. 9196-203

Sen. Humphrey spoke on the importance of providing aid to India. pp. 9228-30

2. AGRICULTURE AND FORESTRY Committee reported the following bills: (p. 9158)

~~H. R. 4083, to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products; without amendment (S. Rept. 1573).~~

~~S. 3062, to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions (S. Rept. 1566); without amendment.~~

~~H. R. 7866, to make clear that the Poultry Products Inspection Act applies to Puerto Rico and the Virgin Islands (S. Rept. 1569); without amendment.~~

H. R. 10374, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives (S. Rept. 1572); without amendment

H. R. 4939, to direct the Farmers Home Administration to convey to the Board of Education of Jasper County, Ga., the right, title, and interest retained in a quitclaim deed covering a tract of land (S. Rept. 1568); without amendment.

H. R. 8050, to prohibit or regulate the importation into the U. S. of adult honeybees of all species and subspecies and to provide that adult honeybees could not be imported from countries which do not take adequate precautions to prevent importation from countries where bee diseases occur (S. Rept. 1570); without amendment.

H. R. 9736, to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work (S. Rept. 1575); without amendment.

S. 3064, to amend the act of 1928 directing a national survey of forest resources so as to remove the appropriation limitation (S. Rept. 1567) with amendment.

3. EXPORT CONTROL. The Banking and Currency Committee reported with amendment S. 3161, to continue the Export Control Act (S. Rept. 1576). p. 9158

4. RECLAMATION; SURPLUS COMMODITIES. Sen. Proxmire criticized the proposed Glen

BANKS FOR COOPERATIVES—REDUCTION OF REVOLVING FUND

June 7, 1962.—Ordered to be printed

Mr. HOLLAND, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany H.R. 10374]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 10374), to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill reduces the revolving fund available for subscription to the capital stock of the banks for cooperatives to \$150 million from the current level of about \$186 million. The difference would be covered into the Treasury as miscellaneous receipts. About \$107 million of the fund is currently invested in the banks for cooperatives.

The report of the House Committee on Agriculture is attached.

[H. Rept. 1633, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to reduce by approximately \$36 million (to \$150 million) the amount of money held in the revolving fund for the possible purchase of stock in the banks for cooperatives and to return this amount to miscellaneous receipts of the Treasury.

The fund was established in 1929 with an authorized amount of \$500 million for the purposes of the Federal Farm Board. When the affairs of that Board were wound up in 1933, administration of the fund passed to the Farm Credit Administration to be used, whenever necessary, for the purchase of stock in the banks for cooperatives. As these banks gradually become more largely self-financing, demands on the revolving fund have become smaller, and the Farm Credit Administration now believes that the fund may safely be reduced to \$150 million and the balance of approximately \$36 million returned to the Treasury.

JUSTIFICATION

The following statement by the Deputy Governor of the Farm Credit Administration at hearings on H.R. 10374 explains in some detail the justification for the legislation.

STATEMENT OF GLENN E. HEITZ, DEPUTY GOVERNOR AND DIRECTOR OF COOPERATIVE BANK SERVICE, FARM CREDIT ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON CONSERVATION AND CREDIT OF THE HOUSE COMMITTEE ON AGRICULTURE CONCERNING H.R. 10374

"The purpose of H.R. 10374 is to reduce the amount of the revolving fund in the Treasury which is available for the Governor of the Farm Credit Administration to purchase class A capital stock in the banks for cooperatives. This revolving fund originally was authorized and established at \$500 million under section 6 of the Agricultural Marketing Act of 1929 for the purposes of the Federal Farm Board. By 1933 the affairs of that Board were being wound up, and the administration of the fund passed to the Farm Credit Administration. When the banks for cooperatives were established, also in 1933, what remained in the fund was made available for the purchase of capital stock in such banks. The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled \$185,918,743.10. This is the amount now in the fund and is the maximum amount ever made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, \$35,918,743.10 of the cash in the fund would be credited to miscellaneous receipts of the Treasury, which would reduce the revolving fund to \$150 million.

"At the present time \$106,817,000 of the fund is invested in the capital stock of the banks for cooperatives. Each year since the Farm Credit Act of 1955, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund. These repayments and any other cash in the fund continue to be available for further subscriptions to the capital stock of the banks for coop-

eratives as the Governor may determine is required for the purpose of meeting the credit needs of eligible borrowers from the banks. The last use of the fund to purchase capital stock in a bank for cooperatives was during World War II to help finance the processing and distributing of food and fiber for the war effort.

"It may be helpful to review how the proposed reduction in the revolving fund may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law, the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately \$3 billion. If the revolving fund is reduced by \$35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately \$2.7 billion. This amount is about four times the peak loans of \$783 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is thought that reducing the revolving fund to \$150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

The Farm Credit Administration has recommended the enactment of H.R. 10374, and we hope that the committee will act favorably on it."

COST

There would be no cost to the United States as the result of this legislation. On the contrary, some \$36 million in the Treasury now tied up for a special purpose would be returned to general receipts.

DEPARTMENTAL APPROVAL

Enactment of this legislation was recommended in an executive communication from the Farm Credit Administration reading as follows:

FARM CREDIT ADMINISTRATION,
Washington, D.C., January 22, 1962.

The Honorable the SPEAKER OF
THE HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: There is transmitted herewith a proposed bill to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives. Thereunder, the authorized amount of the fund would be reduced from \$500 million to \$150 million and \$35,918,743.10 of the \$185,918,743.10 now in the fund would be covered into miscellaneous receipts of the Treasury of the United States.

This reduction will be treated as a capital transfer from the revolving fund to the general fund, which will not in itself have any effect on budget receipts or budget expenditures.

As enacted in 1929, the broad purpose of the Agricultural Marketing Act as stated in its title was "to establish a Federal Farm Board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries." By section 6 of the act (46 Stat. 14; 12 U.S.C. 1141d), Congress authorized a revolving fund of \$500 million—and this amount was actually made available—to be administered by the Federal Farm Board in carrying out its functions under the act. Among those functions was making loans to cooperative associations and stabilization corporations. In 1933, when the Farm Credit Administration was established, it succeeded to the administration of the fund. The Farm Credit Act of 1933, which provided for the establishment of the 13 banks for cooperatives to make loans to cooperative associations, curtailed the lending operations from the fund and made the fund available for subscriptions to the capital stock of the central and regional banks for cooperatives (12 U.S.C. 1134i, 1134b). The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled \$185,918,743.10. This is the amount made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, \$35,918,743.10 of the cash in the fund would be covered into the miscellaneous receipts of the Treasury, which would reduce the revolving fund to \$150 million, of which \$106,817,000 is presently invested in the capital stock of the banks for cooperatives. Each year, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund, where they continue available for further subscriptions to the capital stock of the banks for cooperatives if needed.

To appreciate the significance of the proposed reduction in the revolving fund, it may be helpful to review how it may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately \$3 billion. If the revolving fund is reduced by \$35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately \$2.7 billion. This amount is about four

times the peak loans of \$683 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is our opinion that reducing the revolving fund to \$150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

This submission has the approval of the Federal Farm Credit Board and early consideration and enactment of the proposed bill is recommended.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal from the standpoint of the administration's program.

Very truly yours,

R. B. TOOTELL, *Governor.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL MARKETING ACT

* * * * *

SEC. 6. There is authorized to be appropriated the sum of \$500,-000,000 which shall be made available by the Congress as soon as practicable after the approval of this Act and shall constitute a revolving fund to be administered by the administration as provided in this Act. Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this Act, shall be covered into and become a part of said revolving fund. *Effective upon enactment of this sentence the sum authorized to be appropriated for the aforesaid revolving fund is reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury.*



Calendar No. 1532

87TH CONGRESS
2D SESSION

H. R. 10374

[Report No. 1572]

IN THE SENATE OF THE UNITED STATES

MAY 8, 1962

Read twice and referred to the Committee on Agriculture and Forestry

JUNE 7, 1962

Reported by Mr. HOLLAND, without amendment

AN ACT

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 6 of the Agricultural Marketing Act, as amended
4 (12 U.S.C. 1141d), is amended by adding the following
5 sentence at the end thereof: "Effective upon enactment of
6 this sentence the sum authorized to be appropriated for the
7 aforesaid revolving fund is reduced from \$500,000,000 to
8 \$150,000,000 and any amount in said fund in excess of
9 \$150,000,000 (including any amount thereof used to pur-
10 chase capital stock in the central and regional banks for

1 cooperatives) shall be credited to miscellaneous receipts of
 2 the Treasury.”

Passed the House of Representatives May 7, 1962.

Attest: RALPH R. ROBERTS,
Clerk.

Calendar No. 1532

87TH CONGRESS
 2D SESSION

H. R. 10374

[Report No. 1572]

AN ACT

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

MAY 8, 1962

Read twice and referred to the Committee on
 Agriculture and Forestry

JUNE 7, 1962

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only
should not be quoted
or cited)

Issued June 18, 1962
For actions of June 15, 1962
87th-2nd, No. 98

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HIGHLIGHTS: See page 5.

SENATE

1. FORESTRY. Passed as reported S. 3064, to increase from \$1.5 million to \$2.5 million the amount authorized to be appropriated annually to keep the timber and forest product survey current. pp. 9853-4
Passed without amendment H. R. 8434, to authorize the sale of a tract of forest land to the city of Mount Shasta, Calif. This bill will now be sent to the President. p. 9855
Passed without amendment H. R. 9736, to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work. This bill will now be sent to the President. p. 9856
Sen. Goldwater defended the Forest Service against criticism in the press "for allowing two establishments to exist in national forest," stating that the Forest Service had "done its duty as it saw it." p. 9835
2. POULTRY INSPECTION. Passed without amendment H. R. 7866, to make clear that the Poultry Products Inspection Act applies to Puerto Rico and the Virgin Islands. This bill will now be sent to the President. p. 9854

3. COOPERATIVES. Passed without amendment H. R. 10374, to reduce from \$186 million to \$150 million the revolving fund available for subscription to the capital stock of banks for cooperatives. This bill will now be sent to the President. pp. 9854-5
4. DAIRY PRODUCT REPORTS. Passed without amendment H. R. 4083, to reduce from monthly to semiannually the frequency of reports required of the Veterans' Administration on the use of surplus dairy products. This bill will now be sent to the President. p. 9855
5. LIBRARIES. Passed as reported H. R. 8141, to amend the laws relating to depository libraries so as to provide for expansion in their number and to improve procedures and conditions for the selection, supply, retention, and disposal of Government publications furnished these libraries for public information. pp. 9857-9
6. COMMUNICATIONS. Continued debate on H. R. 11040, to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system. pp. 9864-76, 9911-17, 9918-9
7. SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION OF THE AGRICULTURE AND FORESTRY COMMITTEE voted to report to the full committee the following bills:
 - S. 2044, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations.
 - S. 2859, to increase the number of new counties in which crop insurance may be offered each year.
 - S. 3120, to grant the Secretary of Agriculture additional authority to permit the interstate movement of certain diseased livestock and poultry.
 - S. 2121, to authorize the Secretary of Agriculture to establish and maintain Federal agricultural services on Guam.
8. FOREIGN AID. Sen. Humphrey criticized proposals to restrict foreign aid to Poland and Yugoslavia and stated that "broad Presidential discretion in the use of funds is an indispensable ingredient of the foreign aid program." pp. 9878-94
9. Health insurance. Sen. Morse discussed the need for a health insurance program for rural people and referred to a recent report of the Special Committee on Aging stating that "the King-Anderson bill will mean even more to farm and rural families than it will to city dwellers." pp. 9906-11
10. EXPORT CONTROL. Sen. Keating submitted three amendments intended to be proposed to S. 3161, to extend indefinitely the Export Control Act. pp 9917-8
11. FARM PROGRAM. Sen. Miller criticized and inserted two items critical of the administration's farm bill. pp. 9845-6
 - Sen. Hruska inserted a release on the American National Cattlemen's Association's criticism of the administration's farm bill. p. 9850
12. INTERGOVERNMENTAL RELATIONS. Sen Muskie reviewed and commended the work of the Advisory Commission on Intergovernmental Relations. pp. 9839-40
13. SOIL BANK. Received from this Department a proposed bill "to amend sec. 107(d) of the Soil Bank Act"; to Agriculture and Forestry Committee. The proposed bill would clarify the authority of the Secretary to prescribe by regulation

Therefore, by the vote and authority of the Board of Trustees of Western Maryland College, I admit you to the degree of doctor of laws, honoris causa, with all the rights, privileges, and distinction thereunto appertaining, in token of which I present to you this diploma and cause you to be invested with the hood of Western Maryland College appropriate to your degree.

RESPONSE TO ACT OF SACRIFICE BY GRADUATING CLASS OF GLEN LAKE COMMUNITY HIGH SCHOOL, MICHIGAN

Mr. HART. Mr. President, Senators may remember that on Tuesday I reported how the graduating class of Glen Lake Community High School saved for 4 years to make a trip to Washington, D.C., and how—at the last moment—they donated the money instead to a classmate who had developed cancer.

I was personally moved by the story of these Michigan youngsters and intended my remarks as a small tribute to their unselfishness.

The story was retold in the Washington Evening Star the following day and the response on the part of this city has touched me almost as much as the original act of sacrifice.

A major Washington hotel, the Executive House, has offered to house these youngsters if their visit could again be made possible. Similar offers have come from Bolling Air Base and groups of private citizens.

A broadcasting station, WWDC, has forwarded \$700 toward transportation costs.

Yesterday Representative HECHLER, of West Virginia, took the floor of the House to urge that the youngsters be given all possible private aid.

President Kennedy invited them—in the event they should be able to come after all—to make a special tour of the White House.

Senators, Representatives, and private citizens have called my office to ask if they could join me in forwarding their checks to the Glen Lake School.

Mr. President, the youngsters at Glen Lake are tremendously grateful for all this, as all can imagine. So am I.

I am hopeful that this spontaneous response will muster the support needed to make the trip a reality after all.

But even now I am thrilled by the way this city has reacted to the selflessness of 33 children in a distant State.

When a man is as emotionally stirred as I am, he is tempted to spin flowery phrases. Phrases, perhaps, about sacrifice and compassion. I am going to refrain from them, however, Mr. President, because the facts alone speak so much more eloquently. And the facts are indeed simple.

A group of American youngsters gave up something to help a classmate.

And immediately, a group of American adults became eager to give up something to help those youngsters.

I submit these remarks as a quiet testimonial to this Nation's sense of humanity.

TRIBUTE TO ALEXANDER GRANT RUTHVEN

Mr. HART. Mr. President, each of us holds a warm spot in his heart for his alma mater, and too often an unexpressed feeling of appreciation for the many dedicated teachers who directed him on his way to a degree. Today nearly a quarter of a million alumni, including myself, salute the president emeritus of the University of Michigan, our distinguished dean of administrators, Alexander Grant Ruthven. President Ruthven is being honored this evening at an 80th birthday testimonial dinner in Ann Arbor, Mich.

He is a man who was directly responsible for 22 years for the leadership of one of the largest and finest universities in the world. During his term as president, he organized the university's graduate school, planned the institute for human adjustment, steadily advocated a democratic faculty administration and corporate administrative structure, and shared the achievements and failures of thousands of young men and women.

Too often we tend to forget that human element and think of our universities in terms of size, academic standing and prestige. Today I am happy to join with other alumni in paying tribute to our president emeritus—a man behind much of the greatness of our alma mater, the University of Michigan.

Mr. MANSFIELD. Mr. President, it is my intention to call up for consideration a number of measures to which there is no objection. This has been cleared with the leadership on the other side.

Mr. President, has morning business been concluded?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Antitrust and Monopoly Subcommittee of the Judiciary Committee;
The Committee on Public Works;
The Committee on Aeronautical and Space Sciences;
The Finance Committee; and
The Commerce Committee, or subcommittees thereof.

CONSIDERATION OF BILLS BY UNANIMOUS CONSENT

On the request of Mr. MANSFIELD, and by unanimous consent, the following measures were considered:

AMENDMENT OF ACT AUTHORIZING AND DIRECTING NATIONAL SURVEY OF FOREST RESOURCES

The Senate proceeded to consider the bill (S. 3064) to amend section 9 of the act of May 22, 1928, as amended, author-

izing and directing a national survey of forest resources, which had been reported from the Committee on Agriculture and Forestry, with an amendment in line 5, after the word "amended," to strike out "to read as follows: 'There is additionally authorized to be appropriated annually such funds as may be needed to keep the survey current.'" and insert "by striking out '\$1,500,000' and inserting in lieu thereof '\$2,500,000'"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 9 of the Act of May 22, 1928, as amended (45 Stat. 669, 702; 16 U.S.C. 581h), is hereby amended by striking out "\$1,500,000" and inserting in lieu thereof "\$2,500,000".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1567), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill, with the committee amendment, would increase the amount authorized to be appropriated annually to keep the timber and forest product survey current under section 9 of the McSweeney-McNary Forest Research Act from \$1.5 million to \$2.5 million.

The bill, as introduced, would have authorized unlimited appropriations; but the committee felt that the authorization should be held down to the amount of foreseeable need. The Department of Agriculture's report shows a foreseeable need of up to \$2.5 million, and the committee recommends amendment of the bill accordingly. The Department's report, which explains the need for increased authorization is attached.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 14, 1962.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request of March 28, 1962, for a report by this Department on S. 3064, a bill to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources.

This Department recommends enactment of the provisions of the bill.

S. 3064 would remove the limitation of \$1,500,000 on the amount now authorized to be appropriated annually for resurveys of the Nation's forest land and timber resources and permit the annual appropriation of such sums as may be necessary to keep the nationwide forest survey current.

Section 9 of the McSweeney-McNary Forest Research Act of May 22, 1928, authorized and directed the Secretary of Agriculture to make and keep current a comprehensive survey of the present and prospective requirements for timber and other forest products in the United States, and of timber supplies, including a determination of the present and potential productivity of forest lands, and of such other facts as may be necessary in the determination of ways and means to balance the timber budget of the United States. The act authorized an initial forest survey with both an annual and

total limitation. This initial survey of the Nation's 770 million acres of forest land has now been essentially completed.

Amendments to the McSweeney-McNary Forest Research Act in 1944 and 1949 also authorized continuing resurveys to keep the forest survey current. The amendment of 1949 established a limitation of \$1,500,000 on the amount authorized to be appropriated annually for these continuing resurveys. Since 1949 the costs of conducting survey work have risen more than 50 percent. In addition, there is increasing need for more frequent and more intensive forest inventories in all States. Even with substantial assistance from cooperating State agencies, forest industries, and other groups, the rising costs of survey work have made it impossible to provide adequate timber inventories within the authorization established in 1949 when price levels were materially lower. Hence, removal of the present limitation on annual appropriations for the forest survey is needed to permit adequate financing of this important field of research.

The forest survey provides the only comprehensive source of basic information on one of the Nation's most important natural resources. It provides facts on the area, condition, and productivity of forest lands; the volume, kind, quality, and location of standing timber; the present and prospective growth of timber of various species; losses to fire, insects, diseases, and other destructive agents; the present and prospective volumes of timber cut for various forest products; and interpretations of information on timber supplies and timber use to provide factual guides to the conservation and use of the Nation's forest land and timber resources. Since forest resources are constantly changing as a result of timber growth, cutting for industrial products, and losses to fire and other destructive agents, resurveys at regular intervals are necessary to provide up-to-date information.

Federal and State agencies, private forestry groups, landowners and timber operators all need adequate and up-to-date facts about timber resources and needs as sound bases for policy and program decisions. The production, manufacture, and use of timber products currently generates an estimated \$20 billion of gross national product annually. Trends in forest conditions and the availability of timber supplies for prospective markets thus are of direct concern to many groups throughout the Nation's economy.

To public agencies, survey facts provide an essential basis for policy decisions on various programs involving the production and use of timber. To forest industries, survey facts on timber supplies are of broad practical value for guiding business decisions relating to location of wood-using plants, plant acquisition, and wood-procurement programs.

The removal of the limitation on appropriations for resurveys, as provided for in this bill, would place the financing of this important research activity on the same basis as other fields of research authorized by the other sections of the McSweeney-McNary Forest Research Act. Adequate control over the amounts appropriated annually, as in the case of other forestry research of the Department, can of course be maintained through the usual budgetary processes.

Present estimates indicate that as much as \$2.5 million annually may ultimately be needed to maintain the forest survey at an adequate level.

In reporting to you on S. 2403, we recommended the enactment of that bill with the addition of a section to accomplish the same thing as S. 3064. We believe the enactment of this provision either as a part of S. 2403 or as a separate enactment to be highly desirable.

The Bureau of the Budget advises that there is no objection to the presentation

of this report from the standpoint of the administration's program.

Sincerely yours,
ORVILLE L. FREEMAN, *Secretary*.

CONVEYANCE OF INTEREST OF UNITED STATES IN CERTAIN LAND IN GEORGIA TO JASPER COUNTY BOARD OF EDUCATION

The bill (H.R. 4939) to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1568), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill directs conveyance to the Board of Education of Jasper County, Ga., for fair market value, of certain reserved rights in 42.65 acres of land conveyed to the board in 1940. An undivided 39.8 percent of the reserved rights belonged to the Georgia Rural Rehabilitation Corp. and have been transferred to the Georgia Development Authority, which has authorized conveyance of its undivided 39.8 percent. The reserved rights consist of (1) a reversionary right if the board fails to maintain the property solely for educational purposes or to afford all children residing in the school district an equal opportunity to avail themselves of the facilities for educational purposes, (2) the right to use the facilities for community activities, and (3) the right to construct, maintain, and operate other structures which would not interfere with school purposes (including the granting of easements for such construction, maintenance, and operation).

The Department of Agriculture recommends enactment. There is no intention to utilize the retained rights, and the county intends to convert the property into a rest home for the aged. The amendments recommended by the Department were adopted by the House.

AMENDMENTS TO THE POULTRY PRODUCTS INSPECTION ACT

The bill (H.R. 7866) to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1569), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill makes it clear that the Poultry Products Inspection Act extends to Puerto Rico and the Virgin Islands. The Department of Agriculture recommends enactment.

The Poultry Products Inspection Act provides for the compulsory inspection of poultry and poultry products which move in interstate or foreign commerce or in designated major consuming areas.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO FORMER OWNERS

The bill (H.R. 5456) to provide for the conveyance of certain real property of the United States to the former owners thereof was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1571), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill provides for the conveyance of about 35 acres without consideration to the descendants of J. C. Drake for the purpose of correcting an error, as is more fully explained in the attached report of the House Committee on Agriculture.

[H. Rept. 1627, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 5456) to provide for the conveyance of certain real property of the United States to the former owners thereof, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of this bill is to direct conveyance to the grantees named in the bill, without consideration, of approximately 35 acres of land to which the United States obtained title by error in acquiring lands for the Apalachicola National Forest in Florida.

Evidence presented to the committee indicates that the 35 acres of land involved in this legislation is now and has been since 1917 a portion of a farm occupied and operated by the grantees and, before them, by their father. The farm is situated on the edge of the Apalachicola National Forest and the 35 acres in question was included by error in a condemnation action involving approximately 25,000 acres of land for the national forest which was instituted by the Government in 1941. The evidence further indicates that the Drake family had no notice or knowledge of the condemnation action (published notice of which was made in another county) nor any knowledge that the Government claimed title to a part of their farm until the Forest Service surveyed the area in 1955 and established boundary markers.

REVOLVING FUND FOR SUBSCRIPTIONS TO CAPITAL STOCK OF BANKS FOR COOPERATIVES

The bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1572), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill reduces the revolving fund available for subscription to the capital stock of the banks for cooperatives to \$150 million from the current level of about \$186 million. The difference would be covered into the

Treasury as miscellaneous receipts. About \$107 million of the fund is currently invested in the banks for cooperatives.

The report of the House Committee on Agriculture is attached.

[H. Rept. 1633, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to reduce by approximately \$36 million (to \$150 million) the amount of money held in the revolving fund for the possible purchase of stock in the banks for cooperatives and to return this amount to miscellaneous receipts of the Treasury.

The fund was established in 1929 with an authorized amount of \$500 million for the purposes of the Federal Farm Board. When the affairs of that Board were wound up in 1933, administration of the fund passed to the Farm Credit Administration to be used, whenever necessary, for the purchase of stock in the banks for cooperatives. As these banks gradually become more largely self-financing, demands on the revolving fund have become smaller, and the Farm Credit Administration now believes that the fund may safely be reduced to \$150 million and the balance of approximately \$36 million returned to the Treasury.

JUSTIFICATION

The following statement by the Deputy Governor of the Farm Credit Administration at hearings on H.R. 10374 explains in some detail the justification for the legislation.

STATEMENT OF GLENN E. HEITZ, DEPUTY GOVERNOR AND DIRECTOR OF COOPERATIVE BANK SERVICE, FARM CREDIT ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON CONSERVATION AND CREDIT OF THE HOUSE COMMITTEE ON AGRICULTURE CONCERNING H.R. 10374

"The purpose of H.R. 10374 is to reduce the amount of the revolving fund in the Treasury which is available for the Governor of the Farm Credit Administration to purchase class A capital stock in the banks for cooperatives. This revolving fund originally was authorized and established at \$500 million under section 6 of the Agricultural Marketing Act of 1929 for the purposes of the Federal Farm Board. By 1933 the affairs of that Board were being wound up, and the administration of the fund passed to the Farm Credit Administration. When the banks for cooperatives were established, also in 1933, what remained in the fund was made available for the purchase of capital stock in such banks. The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled \$185,918,743.10. This is the amount now in the fund and is the maximum amount ever made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, \$35,918,743.10 of the cash in the fund would be credited to miscellaneous receipts of the Treasury, which would reduce the revolving fund to \$150 million.

"At the present time \$106,817,000 of the fund is invested in the capital stock of the banks for cooperatives. Each year since the Farm Credit Act of 1955, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund. These repayments and any other cash

in the fund continue to be available for further subscriptions to the capital stock of the banks for cooperatives as the Governor may determine is required for the purpose of meeting the credit needs of eligible borrowers from the banks. The last use of the fund to purchase capital stock in a bank for cooperatives was during World War II to help finance the processing and distributing of food and fiber for the war effort.

"It may be helpful to review how the proposed reduction in the revolving fund may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law, the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately \$3 billion. If the revolving fund is reduced by \$35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately \$2.7 billion. This amount is about four times the peak loans of \$783 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is thought that reducing the revolving fund to \$150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

The Farm Credit Administration has recommended the enactment of H.R. 10374, and we hope that the committee will act favorably on it.

COST

There would be no cost to the United States as the result of this legislation. On the contrary, some \$36 million in the Treasury now tied up for a special purpose would be returned to general receipts.

VETERANS' ADMINISTRATION REPORTS ON USE OF SURPLUS DAIRY PRODUCTS

The bill (H.R. 4083) to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1573), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill reduces the frequency of reports required from the Veterans' Administration as to the use of dairy products under section 202(a) of the Agricultural Act of 1949 from monthly to semiannually. This reporting requirement would then be uniform with that for reports by the Secretary of the Army contained in section 202(b) of the same act.

PURPOSE

Under the provisions of section 202 of the Agricultural Act of 1949, the Commodity Credit Corporation is authorized to make surplus dairy products available to the Veterans' Administration and other designated Government departments. The Veterans'

Administration is required to report monthly to the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate and to the Secretary of Agriculture the amount of surplus dairy products used. This bill would change the reporting requirement from a monthly period to every 6 months. The committee feels that a report every 6 months would meet its requirements.

COST

There would be a slight reduction in administrative cost as the result of enactment of this bill.

SHORT EXPLANATION OF H.R. 4083

Mr. ELLENDER subsequently said: Mr. President, this bill would reduce the frequency of reports required from the Veterans' Administration as to the use of dairy products under section 202(a) of the Agricultural Act of 1949. At present such reports are required to be made monthly. Under the bill they would not have to be more frequent than semiannual.

Section 202(a) of the 1949 act requires the Commodity Credit Corporation, as a means of increasing the utilization of dairy products, to make such products acquired under the price-support program available to the Administrator of Veterans' Affairs for use in Veterans' Administration hospitals. A similar provision in section 202(b) of the same act, providing for transfer of such products to the Department of Defense, provides for semiannual reports so that the bill would make these two subsections uniform.

In the 86th Congress the Senate passed S. 899, which would have completely repealed this reporting requirement. The House Committee on Government Operations recommended that the repeal of this provision be omitted from S. 899, but that consideration be given to reducing the frequency of the reports to a semiannual basis. The bill would complete the carrying out of that recommendation.

The bill was requested by the Veterans' Administration. It should result in some slight savings in cost, and there appears to be no need for such frequent reports as are now required.

CONVEYANCE OF CERTAIN LAND TO CITY OF MOUNT SHASTA, CALIF.

The bill (H.R. 8434) to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif., was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1574), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill authorizes the sale of approximately 4.5 acres at appraised value to the city of Mount Shasta, Calif. The property is no longer needed by the Forest Service and is currently used by the city under permit for storage of machinery and equipment.

USE OF CERTAIN PROPERTY FOR STATE FORESTRY WORK

The bill (H.R. 9736) to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1575), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill authorizes the Secretary of Agriculture to permit continued use by the States of property furnished to them under the Soil Bank Act program for the production of tree planting stock. The property would have to be used for State programs furthering related Federal programs.

The report of the House Committee on Agriculture is attached. The amendments recommended by the House Committee on Agriculture were adopted.

PURPOSE

The purpose of this bill is to permit States which have been cooperating with the Federal Government in the production of forest tree seedlings for planting on conservation reserve land to continue to use the facilities, materials, equipment, and improvements provided cooperatively by the Federal Government for the production of such seedlings, in producing seedlings which will be needed to attain the objectives of other related programs.

NEED FOR THE LEGISLATION

When the conservation reserve program was inaugurated in 1956, it was immediately realized that there were not adequate nursery facilities for the production of the forest tree seedlings which would be required in the reforestation aspects of the soil bank program. Accordingly, the Federal Government entered into cooperative agreements with the several States (which were already producing forest tree seedlings cooperatively under the Clarke-McNary Act) for the development and operation of additional nurseries for the production of such seedlings. The period for the contracting of acreage under the conservation reserve program has now expired, but there is a continuing need for forest tree seedlings for uses in connection with related Federal programs and for reforestation activities generally. This bill would permit the nurseries which have been established to continue to be used for this purpose.

COST

There would be no additional cost to the Federal Government as the result of the enactment of this bill. The facilities to be transferred to the States are already in existence and have been paid for out of previous appropriations. The total residual value of these facilities has recently been appraised at \$4.4 million.

SONS OF THE AMERICAN LEGION BADGES

The bill (H.R. 11032) granting a renewal of patent No. 92,187 relating to the badges of the Sons of the American Legion was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report

(No. 1580), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 92,187 relating to the badge of the Sons of the American Legion for a period of 14 years from the date of enactment of this act.

STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3084, recommends enactment of this legislation.

On May 8, 1934, a design patent No. 92,187 was granted for the protection of the emblem and insignia of the Sons of the American Legion. After the 14-year statutory period, it expired May 8, 1948. Such design patent was renewed by act of Congress on June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

AMERICAN LEGION AUXILIARY BADGES

The bill (H.R. 11033) granting a renewal of patent No. 55,398 relating to the badges of the American Legion Auxiliary was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1581), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 55,398 relating to the badge of the American Legion Auxiliary for a period of 14 years from the date of enactment of this act.

STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3083, recommends enactment of this legislation.

On June 1, 1920, a design patent No. 55,398 was granted for the protection of the emblem and insignia of the American Legion Auxiliary. After the 14-year statutory period, it expired June 1, 1934. Such design patent was renewed by act of Congress on August 2, 1935, and June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on

the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

AMERICAN LEGION BADGE

The bill (H.R. 11034) granting a renewal of patent No. 54,296 relating to the badge of the American Legion was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1582), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 54,296 relating to the badge of the American Legion for a period of 14 years from the date of enactment of this act.

STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3082, recommends enactment of this legislation.

On December 9, 1919, a design patent No. 54,296 was granted for the protection of the emblem and insignia of the American Legion. After the 14-year statutory period, it expired December 9, 1933. Such design patent was renewed by act of Congress on August 2, 1935, and June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

EXTENSION OF AUTOMOBILE INFORMATION DISCLOSURE ACT

The Senate proceeded to consider the bill (S. 678) to extend the Automobile Information Disclosure Act to Guam and the Virgin Islands which had been reported from the Committee on Commerce, with an amendment to strike out all after the enacting clause and insert:

That section 2 of the Automobile Information Disclosure Act (72 Stat. 325) is amended by revising subsection (h) and by adding a new subsection (i) as follows:

"(h) The term 'commerce' means commerce between any State and any point outside thereof, commerce between points within the same State but through any point outside thereof, and commerce within the District of Columbia.



Public Law 87-494
87th Congress, H. R. 10374
June 25, 1962

An Act

76 STAT. 109.

To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Agricultural Marketing Act, as amended (12 U.S.C. 1141d), is amended by adding the following sentence at the end thereof: "Effective upon enactment of this sentence the sum authorized to be appropriated for the aforesaid revolving fund is reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury."

Agricultural
Marketing Act,
amendment.
Revolving fund,
reduction.
46 Stat. 14.

Approved June 25, 1962.

